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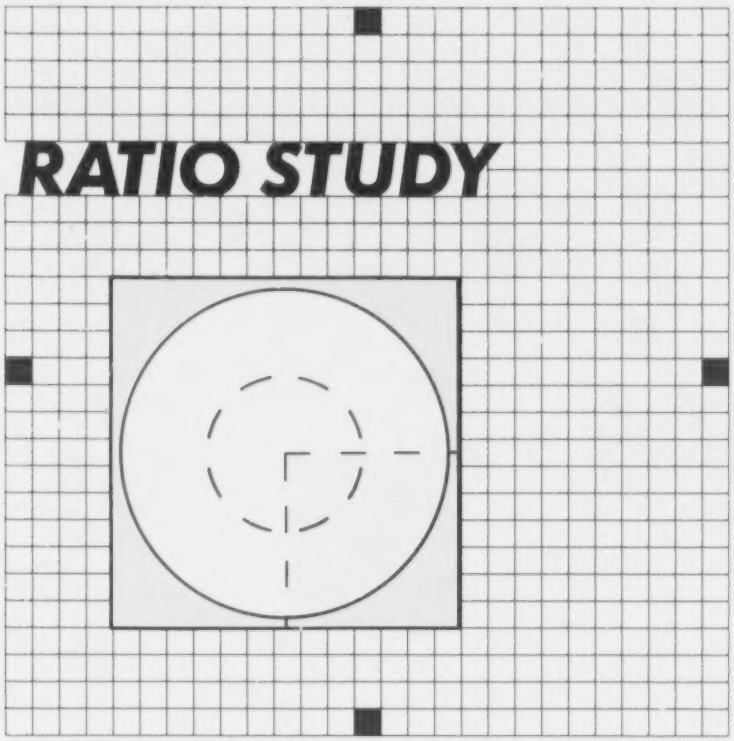
RATIO STUDY



1989-90 Edition

Financial and Operating Ratios of the
North American Forms Manufacturing Industry

financial management services

FormsPlanner™

International Business Forms Industries, Inc.

International Business Forms Industries, Inc.

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The 1989-90 Ratio Study

Prepared at the direction of the Economic and Market Research Committee of International Business Forms Industries, Inc. for the benefit of the forms industry and its customers.

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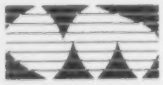

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The 1989-90 Ratio Study

Table of Contents

		Page
I.	Executive Summary	1
II.	Ratio Study Methodology	3
III.	Composite Definitions	3
IV.	Introduction	5
V.	Summary Statistics	9
	Notes on Computing Ratios	9
VI.	Key Ratios	39
VII.	Cost of Production Analysis	43
VIII.	Value-Added Analysis	47
Appendix A - Using the Ratio Study		51
Appendix B - IBFI Chart of Accounts		57
Appendix C - Ratio Study Questionnaire		67

List of Tables

Absolute Data	7
Summary Statistics	
All Firms and Leaders	11
By Sales Volume	15
By Product Line, Direct (Consumer)	21
By Product Line, Indirect (Dealer)	27
Thirteen Key Ratios	33
Cost of Production Analysis	43
Value-Added Analysis	47

List of Figures

Page

Inventory Items: Direct vs. Indirect 35

Expense Items:

All Firms vs. Leaders 36

Direct, All Firms vs. Leaders 37

Indirect, All Firms vs. Leaders 37

Cost of Production Analysis 45

Value Added Analysis: All Firms vs. Leaders 49

I. Executive Summary

Participants in the *1989-90 Ratio Study* experienced a drop in profitability in 1989 compared to the preceding year. Average pre-tax income for the 75 participating companies was 4.98% in 1989, vs. 1988 pre-tax income of 6.49% for the 77 companies participating in the *1988-89 Ratio Study*.

Gross profit margins were slightly improved during 1989, but selling and administrative expenses were substantially higher in 1989 than in the prior year. One of the telltale signs of a company that is operating in a mature industry is the continued rise in its fixed and semi-variable costs, even as growth in the market slows down. The rise in selling and administrative expense for Ratio Study participants reflects this trend.

The study results also showed a sharp rise in the percentage of sales that are in the category of finished goods purchased for resale ("outside purchases"). This ratio jumped from 5.20% of sales in 1988 to 8.22% in 1989. This change may be related to the industry's shift from a manufacturing orientation (where what a company sells is driven entirely by its manufacturing capability) to a marketing orientation, in which the company seeks to satisfy its customers' needs, regardless of whether the company actually produces the product itself. A company that adheres to the latter philosophy is likely to "buy out" a larger proportion of the products it sells than is a company that is still manufacturing-driven.

The study also reveals that forms manufacturers are becoming more aware of the costs involved in keeping and managing inventories. For instance, total inventories (calculated as a percentage of total assets) were substantially lower in 1989 as compared to 1988.

	1988 All Firms	1989 All Firms
Inventories		
Raw Materials	10.97%	8.21%
Finished Products	6.33	7.62
Work in Process	2.18	1.78
Other	0.23	0.19
Total Inventories	19.71%	17.80%

The above breakdown of inventory assets shows that as the price of paper stabilized in 1989 (following several price increases during 1988), forms companies reduced their inventories of paper, as expected. Improvements in manufacturing efficiency may correlate with the slight improvement in work-in-process inventory levels, and the rising demand among end users for "forms management" programs probably accounts for the rise in the level of finished goods inventories.

II. Ratio Study Methodology

Throughout the production of this report, International Business Forms Industries, Inc., (IBFI) took every possible step to ensure the confidentiality of participants financial data. While our consultants did not audit the source data used to prepare the various schedules in this report, they did review the data for completeness, accuracy and plausibility. Where necessary, participants were contacted. Seventy-five companies participated in this survey; all participants received individual reports prepared in confidence.

IBFI conducted this study according to the IBFI Guidelines for Research Programs. Published data does not include information based on fewer than three responses nor does it include information in which more than 60 percent of the observed variable is due to a single response.

Please remember to use care in comparing the data in this report with that in reports published in previous years. Although the bulk of the participants make an annual response to this survey, in any given category the sample can change quite significantly from one year to the next.

IBFI prepared this report with the assistance of KLM Associates, a research and consulting firm in Arlington, Virginia.

III. Ratio Study Composite Definitions

The financial summary statistics in this annual study have been reported by the following composite areas, and are defined as follows:

* ***All Firms*** - The 75 firms reporting in this *1989-90 Ratio Study* survey.
* ***Leaders*** - Determined by return on sales--income before tax as a percent of sales--of at least 8 percent.
* ***Annual Sales Volume*** - Broken out by: under $3 million, $3-8 million, $8-15 million, $15-40 million, and over $40 million.
* ***Primary Product Line*** - Over 60% of annual sales are attributed to one product; Custom Continuous, Stock Continuous or Unit Sets. Mixed product is less than 60% of any product.
* ***Distribution Channels*** - Sales direct to consumer or indirect sales through a distributor.

IV. Introduction

Seventy-five companies responded to this survey, representing about 22 percent of United States forms industry shipments.*

Over 92 percent of sales were generated by companies with annual sales over $8 million. These firms also earned 94.5 percent of the profits among the firms participating in this study.

The average company in the sample earned 4.98 percent on sales; for the 32 companies that qualified as profit leaders (see composite definitions), return on sales averaged 8.15 percent.

The accompanying absolute data table summarizes the total values of key variables for the participating companies.

* *Note: Of the 75 participants, 3 were Canadian firms. Data for these companies was restated in United States dollars and combined with the rest of the sample.*

ABSOLUTE DATA TABLE

	Firms	Sales	Production	Income	Assets	Workers
ALL FIRMS	75	1694941689	1684326501	83872034	844330481	15,027
By Company Size						
Under $3 million	12	30345763	30315332	328579	10987210	389
$3-$8 million	19	104632964	104721383	4232053	52321564	1,268
$8-$15 million	21	202556351	201656107	11313896	91454595	2,075
$15-$40 million	14	319314076	318244390	18975102	172656295	3,202
Over $40 million	9	1038092535	1029389289	49022404	516910817	8,093
By Distribution Channel						
Direct	24	1081789585	1071720199	58862410	528868150	9,219
Indirect	48	569646968	569517213	21475765	290516234	5,445
Combination	3	43505136	43089089	3533859	24946097	363
By Product						
Unit Sets						
Direct	1	*	*	*	*	*
Indirect	3	12262842	12337202	695472	4432351	167
Mixed Product						
Direct	21	966837810	956669297	52326948	486542763	8,476
Indirect	20	138777568	138210851	6107334	58578805	1,551
Custom Continuous						
Direct	1	*	*	*	*	*
Indirect	24	289526558	289889160	16848959	[illegible]5090078	3,077
Stock Continuous						
Direct	1	*	*	*	*	*
Indirect	1	*	*	*	*	*
By Average Order Size						
Under 1,000	2	8848661	9048942	578207	3495833	96
1-10,000	21	278094448	275405091	14285173	134627019	2,641
10-25,000	40	1013490084	1010157087	51374202	541611891	8,914
25-50,000	6	170701497	168817209	7056937	70325378	1,888
50-100,000	3	123823239	123786915	5932943	44389131	708
Over 100,000	3	99983760	97111257	4644572	49881229	780

*Insufficient data

V. Summary Statistics

The following tables present summary statistics for all firms participating in this survey. Statistics are presented for all firms and are broken out by sales volume, primary product line and primary distribution channel (see composite definitions).

Notes on Computing Ratios

Gross plant investment is the total of all fixed assets before depreciation. Investment used to compute ROI is gross plant investment plus current assets.

Inventory turnover is expressed as times per year. It is total value of production divided by total inventories.

Days raw materials in inventory is computed by dividing raw materials inventory by total materials used multiplied by 365 days.

Collection days of receivables is computed by dividing accounts receivable by value of production divided by 365 days.

Cash flow ROI is computed by multiplying pre-tax income by 50 percent and adding depreciation. Net losses are deducted from depreciation.

Debt/Equity ratio refers to long-term debt only.

Other ratios are self-explanatory. The Chart of Accounts (Appendix B) provides a description of the items included in each account.

Summary Statistics

All Firms vs. Leaders

	ALL FIRMS	LEADERS
VALUE-PRODUCTS MFGD.	91.78	89.12
OUTSIDE PURCHASES	8.22	10.88
VALUE OF PRODUCTION	100.00	100.00
COST OF PRODUCTION		
MATERIALS		
PAPER	38.16	36.22
CARBON	2.35	2.80
OTHER	2.67	3.27
OUTSIDE FINISHED PRODUCT	4.03	4.51
TOTAL MATERIALS USED	47.21	46.80
FACTORY PAYROLL		
SUPERVISORY SALARIES	1.53	1.45
WAGES DIRECT		
PREPRESS	1.66	1.64
PRESS	4.49	4.07
COLLATOR OPERATORS	2.29	2.21
GENERAL BINDERY	0.98	1.09
TOTAL DIRECT WAGES	9.42	9.01
DIRECT OVERTIME WAGES	0.67	0.57
GEN. FACTORY SAL & WAGES	1.95	1.53
PACK., SHIP & DEL. WAGES	0.85	0.77
PAYROLL TAXES	1.19	0.99
EMPLOYEE BENEFITS	2.08	1.87
TOTAL FACTORY PAYROLL*	17.03	15.63
FACTORY FIXED EXPENSES		
OCCUPANCY EXPENSE	1.67	1.52
INSURANCE	0.27	0.22
TAXES	0.34	0.29
DEPRECIATION	2.65	2.45
TOTAL FACTORY FIXED EXP.	4.93	4.48
OTHER FACT. SUPPLIES & EXP.	3.60	2.82
TOTAL FACTORY EXPENSE	8.53	7.29
TOTAL COST OF PRODUCTION	72.78	69.72
GROSS PROFIT-FORMS MFG.	27.22	30.28
OTHER OPERATIONS		
VALUE-OTHER PROD./SERVICES	0.46	0.63
COST-OTHER PROD./SERVICES	0.34	0.46
GROSS PROFIT-OTHER PROD/SER	0.12	0.17
TOTAL GROSS PROFIT-ALL OPER	27.34	30.45

*EXCLUDING DIRECT OVERTIME WAGES

	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES		
EXECUTIVE SALARIES	1.46	1.37
OFFICE SALARIES	2.97	3.73
PAYROLL TAXES	0.30	0.34
EMPLOYEE BENEFITS	0.70	0.78
GENERAL OFFICE EXPENSE	2.72	2.66
BAD DEBTS	0.27	0.20
TOTAL ADMIN. EXPENSE	8.42	9.08
SELLING EXPENSE		
EXECUTIVE SALARIES	0.74	0.61
SALESMEN SAL. & COMMISS.	5.23	5.56
SALES-CLERICAL SALARIES	2.75	3.84
PAYROLL TAXES	0.35	0.23
EMPLOYEE BENEFITS	0.44	0.35
TRAVEL & ENTER. EXPENSE	0.39	0.31
GENERAL SELLING EXP.	1.93	1.42
SHIPPING & DEL. EXP.	0.75	0.38
ADVERTISING	0.25	0.20
TOTAL SELLING EXPENSE	12.84	12.89
TOTAL ADMINISTRATIVE & SELLING COST	21.26	21.98
OPERATING INCOME (LOSS)	6.08	8.47
OTHER INCOME & EXPENSE		
GROSS PROCEEDS-SCRAP SALE	0.37	0.26
OTHER INCOME	0.42	0.34
TOTAL OTHER INCOME	0.80	0.61
INTEREST EXPENSE	1.37	0.51
OTHER EXPENSE	0.52	0.42
TOTAL OTHER EXPENSE	1.90	0.93
NET OTHER INCOME (EXPENSE)	-1.10	-0.32
NET INCOME (LOSS) BEFORE TAXES	4.98	8.15
NUMBER OF COMPANIES	75	32

	ALL FIRMS	LEADERS
CURRENT ASSETS		
CASH	1.96	2.24
NOTES & ACCTS RECEIVABLE	27.81	28.15
LESS ALLOW FOR BAD DEBTS	0.69	0.64
NET RECEIVABLES	27.12	27.51
INVENTORIES		
RAW MATERIALS	8.21	6.96
FINISHED PRODUCTS	7.62	7.18
WORK IN PROCESS	1.78	1.30
OTHER	0.19	0.10
TOTAL INVENTORIES	17.81	15.55
OTHER CURRENT ASSETS	2.18	2.90
TOTAL CURRENT ASSETS	49.07	48.21
FIXED ASSETS		
REAL ESTATE	16.97	15.58
LESS ALLOW FOR DEPR	4.31	4.48
NET REAL ESTATE	12.66	11.10
MACHINERY & EQUIPMENT	52.10	45.89
LESS ALLOW FOR DEPR	28.81	24.64
NET MACH & EQUIP	23.29	21.25
OTHER FIXED ASSETS	3.72	3.56
LESS ALLOW FOR REPR	1.98	1.79
NET OTHER FIXED ASSETS	1.74	1.77
TOTAL FIXED ASSETS	37.70	34.12
OTHER ASSETS	13.23	17.67
TOTAL ASSETS	100.00	100.00
CURRENT LIABILITIES		
NOTES PAYABLE (ONE YEAR)	4.65	2.87
ACCOUNTS PAYABLE	8.85	8.14
OTHER CURRENT LIABILITIES	5.90	5.92
TOTAL CURRENT LIABILITIES	19.40	16.93
LONG-TERM DEBT	18.31	8.60
OTHER LONG-TERM LIAB	14.18	20.30
TOTAL LONG-TERM LIAB	32.49	28.91
TOTAL LIABILITIES	51.88	45.84
TOTAL NET WORTH	48.12	54.16
TOTAL LIABILITIES & NET WORTH	100.00	100.00

	ALL FIRMS	LEADERS
EMPLOYEES		
PERCENT FACTORY	67.21	66.17
PERCENT ADMINISTRATIVE	13.30	12.28
PERCENT SALES	19.49	21.55
PRODUCTIVITY		
SALES/GROSS PLANT INVESTMENT	2.74	2.91
SALES/FACTORY EMPLOYEE	170271.58	181401.12
SALES/ADMIN EMPLOYEE	843006.26	977746.49
SALES/SALES EMPLOYEE	538639.75	557001.94
SALES/ALL EMPLOYEES	112161.32	120037.49
SALES LESS MAT/FACT. EMP.	89880.37	96499.80
FINANCIAL POSITION		
CURR ASSETS VS CURR LIAB	2.53	2.85
LIABILITIES VS NET WORTH	0.37	0.31
DEBT VS EQUITY	0.38	0.16
PAYROLL		
PAYROLL/FACTORY EMPLOYEE	23420.66	23146.76
PAYROLL/ADMIN EMPLOYEE	37339.37	49860.52
PAYROLL/SALES EMPLOYEE	47021.70	55772.36
PAYROLL/EMPLOYEE	30186.99	33457.42
PREPRESS % OF FACT PAYROLL	9.74	10.52
PRESS % OF FACTORY PAYROLL	26.38	26.05
COLL. OPER. % OF FACT. PAY.	13.87	14.15
GEN. BINDERY % OF FACT. PAY.	5.77	6.97
OVERTIME WAGE % OF FACT. PAY.	3.91	3.68
TAXES AND BENEFITS		
TAX & BENE/FACTORY EMP.	5577.96	5197.78
TAX % BENE/ADMIN EMP.	8435.58	10999.86
TAX % BENE/SALES EMP.	5411.09	5398.84
TAX % BENE/EMPLOYEE	5681.15	5479.55
ASSET TURNOVER		
INVENTORY TURNOVER TIMES/YR	11.20	12.19
DAYS RAW MAT. IN INVENTORY	31.83	28.65
COLLECTION DAYS OF RECEIV.	49.62	53.00
INVESTMENT		
NET WORTH % OF FIXED ASSETS	127.64	158.74
AVG PLANT INVEST/FACT EMP.	62136.32	62259.45
PROFIT		
GROSS PROFIT % OF SALES	27.34	30.45
INCOME BEFORE TAX % OF SALES	4.98	8.15
PROFIT % OF NET WORTH	20.85	27.88
CASH FLOW (ROI)	8.41	10.77
RETURN ON INVESTMENT	8.15	13.33

Summary Statistics

By Sales Volume

	UNDER $3 MILLION		$3-$8 MILLION		$8-$15 MILLION		$15-$40 MILLION		OVER $40 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMSS	LEADERS	ALL FIRMMS	LEADERS	ALL FIRM	LEADERS
VALUE-PRODUCTS MFGD.	87.79	87.68	89.14	87.97	89.65	88.71	90.04	89.48	88.93	87.08
OUTSIDE PURCHASES	12.21	12.34	10.86	12.03	10.35	11.29	9.96	10.52	11.07	12.92
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
COST OF PRODUCTION										
MATERIALS										
PAPER	26.60	26.44	27.98	26.62	28.34	27.53	28.56	27.89	35.56	32.28
CARBON	2.84	2.86	2.84	2.87	2.88	2.85	2.69	2.76	2.51	2.95
OTHER	1.26	1.22	1.42	1.26	1.57	1.46	2.06	1.58	1.96	2.39
OUTSIDE FINISHED PRODUCT	6.47	6.48	5.86	6.37	5.65	6.10	5.75	5.80	5.04	5.63
TOTAL MATERIALS USED	37.16	37.00	38.09	37.12	38.44	37.94	39.06	38.03	45.07	43.25
FACTORY PAYROLL										
SUPERVISORY SALARIES	2.16	2.15	2.22	2.14	2.19	2.16	1.98	1.98	1.55	1.72
WAGES DIRECT										
PREPRESS	1.92	1.9	1.98	1.90	2.00	1.94	1.97	1.91	1.48	1.62
PRESS	4.53	4.48	4.80	4.51	4.92	4.66	4.83	4.68	3.91	3.93
COLLATOR OPERATORS	2.04	1.99	2.09	1.99	2.34	2.17	2.51	2.18	1.72	1.90
GENERAL BINDERY	0.74	0.71	0.77	0.73	0.84	0.77	0.87	0.87	0.79	0.83
TOTAL DIRECT WAGES	9.23	9.07	9.64	9.13	10.09	9.54	10.18	9.64	7.89	8.29
DIRECT OVERTIME WAGES	0.86	0.86	0.83	0.85	0.90	0.82	0.97	1.00	0.62	0.62
GEN. FACTORY SAL & WAGES	1.83	1.85	1.87	1.85	1.92	1.83	2.04	1.88	1.83	1.64
PACK., SHIP & DEL. WAGES	0.96	0.95	0.92	0.94	0.91	0.92	0.94	0.99	0.88	0.80
PAYROLL TAXES	1.2	1.18	1.25	1.18	1.29	1.21	1.19	1.12	1.07	1.03
EMPLOYEE BENEFITS	1.81	1.82	1.94	1.87	1.98	1.93	2.12	1.91	1.79	1.74
TOTAL FACTORY PAYROLL*	17.2	17.03	17.84	17.12	18.38	17.60	18.45	17.52	15.01	15.22
FACTORY FIXED EXPENSES										
OCCUPANCY EXPENSE	1.74	1.68	1.76	1.68	1.81	1.71	1.79	1.71	1.41	1.44
INSURANCE	0.64	0.65	0.60	0.64	0.60	0.63	0.54	0.56	0.35	0.38
TAXES	0.91	0.93	0.84	0.91	0.82	0.85	0.74	0.80	0.53	0.58
DEPRECIATION	1.82	1.78	2.04	1.81	2.15	1.94	2.23	1.94	2.07	2.07
TOTAL FACTORY FIXED EXP.	5.12	5.04	5.25	5.04	5.39	5.14	5.29	5.01	4.37	4.47
OTHER FACT. SUPPLIES & EXP.	3.83	3.83	3.94	3.86	4.23	4.05	4.22	4.01	3.11	2.84
TOTAL FACTORY EXPENSE	8.95	8.86	9.19	8.90	9.62	9.19	9.51	9.02	7.48	7.31
TOTAL COST OF PRODUCTION	63.3	62.89	65.12	63.14	66.44	64.73	67.02	64.57	67.56	65.78
GROSS PROFIT-FORMS MFG.	36.7	37.11	34.88	36.86	33.56	35.27	32.98	35.43	32.44	34.22
OTHER OPERATIONS										
VALUE-OTHER PROD./SERVICES	2.86	2.95	2.53	2.87	2.38	2.63	2.16	2.42	1.38	1.77
COST-OTHER PROD./SERVICES	1.29	1.33	1.15	1.29	1.13	1.25	1.02	1.08	0.71	0.91
GROSS PROFIT-OTHER PROD/SER	1.57	1.62	1.38	1.58	1.25	1.37	1.14	1.34	0.67	0.86
TOTAL GROSS PROFIT-ALL OPER	38.27	38.73	36.27	38.44	34.81	36.64	34.12	36.78	33.11	35.08

*EXCLUDING DIRECT OVERTIME WAGES

	UNDER $3 MILLION		$3-$8 MILLION		$8-$15 MILLION		$15-$40 MILLION		OVER $40 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRM	LEADERS
ADMINISTRATIVE EXPENSES										
EXECUTIVE SALARIES	1.49	1.44	1.72	1.53	1.53	1.48	1.55	1.48	1.18	1.27
OFFICE SALARIES	2.73	2.71	2.61	2.67	2.49	2.59	2.35	2.53	3.28	3.59
PAYROLL TAXES	0.66	0.67	0.62	0.65	0.57	0.60	0.49	0.54	0.46	0.53
EMPLOYEE BENEFITS	0.71	0.72	0.71	0.71	0.63	0.66	0.68	0.70	0.76	0.79
GENERAL OFFICE EXPENSE	3.53	3.55	3.52	3.55	3.29	3.37	3.17	3.35	3.04	3.06
BAD DEBTS	0.63	0.65	0.59	0.63	0.55	0.56	0.50	0.53	0.41	0.42
TOTAL ADMIN. EXPENSE	9.76	9.73	9.76	9.74	9.04	9.27	8.72	9.13	9.13	9.67
SELLING EXPENSE										
EXECUTIVE SALARIES	0.63	0.60	0.68	0.64	0.61	0.58	0.82	0.70	0.59	0.56
SALESMEN SAL. & COMMISS.	6.48	6.57	5.90	6.52	5.83	6.21	6.14	6.54	6.38	6.30
SALES-CLERICAL SALARIES	0.84	0.81	0.99	0.81	0.96	0.90	1.17	0.98	2.41	2.90
PAYROLL TAXES	0.38	0.37	0.36	0.37	0.35	0.36	0.37	0.34	0.37	0.29
EMPLOYEE BENEFITS	0.78	0.79	0.73	0.78	0.69	0.73	0.69	0.70	0.57	0.56
TRAVEL & ENTER. EXPENSE	0.36	0.35	0.36	0.35	0.36	0.35	0.42	0.37	0.35	0.32
GENERAL SELLING EXP.	2.76	2.80	2.59	2.75	2.39	2.50	2.35	2.45	2.48	2.18
SHIPPING & DEL. EXP.	1.25	1.26	1.16	1.24	1.10	1.12	1.04	1.10	0.98	0.74
ADVERTISING	4.25	4.37	3.78	4.26	3.33	3.69	2.90	3.42	1.80	2.21
TOTAL SELLING EXPENSE	17.72	17.94	16.55	17.72	15.62	16.45	15.90	16.61	15.92	16.08
TOTAL ADMINISTRATIVE & SELLING COST	27.48	27.68	26.31	27.46	24.66	25.71	24.62	25.73	25.04	25.75
OPERATING INCOME (LOSS)	10.79	11.05	9.96	10.97	10.15	10.93	9.50	11.04	8.07	9.33
OTHER INCOME & EXPENSE										
GROSS PROCEEDS-SCRAP SALE	0.26	0.26	0.29	0.27	0.30	0.28	0.31	0.28	0.31	0.23
OTHER INCOME	0.87	0.88	0.88	0.89	0.84	0.85	0.72	0.82	0.52	0.51
TOTAL OTHER INCOME	1.13	1.14	1.17	1.16	1.14	1.14	1.02	1.10	0.83	0.74
INTEREST EXPENSE	1.29	1.27	1.35	1.26	1.40	1.24	1.56	1.22	1.06	0.81
OTHER EXPENSE	1.03	1.05	0.98	1.03	1.05	1.06	0.71	0.85	0.72	0.71
TOTAL OTHER EXPENSE	2.32	2.32	2.33	2.28	2.45	2.30	2.27	2.06	1.79	1.52
NET OTHER INCOME (EXPENSE)	-1.19	-1.18	-1.16	-1.12	-1.31	-1.17	-1.24	-0.96	-0.96	-0.71
NET INCOME (LOSS) BEFORE TAXES	9.67	9.87	8.80	9.85	8.84	9.76	8.25	10.08	7.11	8.55
NUMBER OF COMPANIES	12	2	19	4	21	13	14	7	9	6

	UNDER $3 MILLION		$3-$8 MILLION		$8-$15 MILLION		$15-$40 MILLION		OVER $40 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRM	LEADERS
CURRENT ASSETS										
CASH	11.51	11.69	10.85	11.50	9.92	10.61	7.72	9.08	4.94	6.29
NOTES & ACCTS RECEIVABLE	28.26	28.28	27.54	27.95	27.99	28.48	27.38	28.21	29.13	28.64
LESS ALLOW FOR BAD DEBTS	1.28	1.31	1.16	1.27	1.12	1.21	0.98	1.04	1.01	1.00
NET RECEIVABLES	26.98	26.97	26.38	26.68	26.87	27.27	26.40	27.16	28.13	27.64
INVENTORIES										
RAW MATERIALS	8.99	8.76	9.42	8.88	9.11	8.79	9.18	9.47	7.58	7.04
FINISHED PRODUCTS	8.97	9.12	8.12	8.99	7.82	8.40	7.80	8.24	9.62	8.75
WORK IN PROCESS	1.72	1.67	1.69	1.69	1.92	1.90	1.92	1.85	1.59	1.29
OTHER	0.03	0.00	0.08	0.01	0.04	0.05	0.26	0.12	0.00	0.00
TOTAL INVENTORIES	19.71	19.56	19.31	19.57	18.89	19.14	19.16	19.68	18.80	17.08
OTHER CURRENT ASSETS	1.31	1.30	1.42	1.26	1.22	1.23	1.82	1.98	1.84	2.12
TOTAL CURRENT ASSETS	59.51	59.51	57.97	59.01	56.91	58.25	55.10	57.90	53.71	53.13
FIXED ASSETS										
REAL ESTATE	19.24	19.52	18.52	18.84	18.79	19.03	17.76	17.33	18.35	17.95
LESS ALLOW FOR DEPR	4.81	4.87	4.74	4.69	4.64	4.87	3.94	4.25	4.99	5.00
NET REAL ESTATE	14.43	14.65	13.79	14.15	14.15	14.16	13.82	13.08	13.37	12.95
MACHINERY & EQUIPMENT	43.27	41.79	47.65	42.71	49.73	46.26	46.65	44.69	42.84	40.71
LESS ALLOW FOR DEPR	21.37	20.06	24.87	21.13	26.29	23.65	23.81	22.59	21.69	20.23
NET MACH & EQUIP	21.9	21.73	22.77	21.58	23.44	22.61	22.83	22.11	21.15	20.48
OTHER FIXED ASSETS	1.09	0.87	2.20	1.08	2.11	1.88	3.45	2.90	1.01	1.09
LESS ALLOW FOR REPR	0.59	0.44	1.18	0.53	1.18	1.03	1.65	1.19	0.55	0.66
NET OTHER FIXED ASSETS	0.51	0.42	1.02	0.56	0.93	0.85	1.80	1.71	0.46	0.42
TOTAL FIXED ASSETS	36.84	36.81	37.58	36.29	38.51	37.62	38.45	36.90	34.97	33.85
OTHER ASSETS	3.65	3.68	4.45	4.71	4.58	4.13	6.45	5.21	11.32	13.02
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
CURRENT LIABILITIES										
NOTES PAYABLE (ONE YEAR)	1.64	1.4	2.81	1.37	2.88	1.91	4.03	2.81	1.71	1.39
ACCOUNTS PAYABLE	9.40	9.35	9.65	9.15	9.36	9.25	8.62	8.74	9.02	8.76
OTHER CURRENT LIABILITIES	7.77	7.87	7.42	7.87	7.75	8.07	7.96	7.75	6.14	6.47
TOTAL CURRENT LIABILITIES	18.81	18.62	19.89	18.39	19.99	19.23	20.61	19.30	16.87	16.62
LONG-TERM DEBT	6.89	6.60	8.55	6.71	10.43	7.68	14.18	9.36	10.94	5.53
OTHER LONG-TERM LIAB	3.64	3.45	3.18	3.33	3.71	3.35	5.21	3.40	13.61	16.35
TOTAL LONG-TERM LIAB	10.53	10.05	11.72	10.05	14.15	11.02	19.39	12.77	24.56	21.89
TOTAL LIABILITIES	29.33	28.67	31.61	28.44	34.14	30.26	40.01	32.07	41.43	38.50
TOTAL NET WORTH	70.67	71.33	68.39	71.56	65.86	69.74	59.99	67.93	58.57	61.50
TOTAL LIABILITIES & NET WORTH	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

	UNDER $3 MILLION		$3-$8 MILLION		$8-$15 MILLION		$15-$40 MILLION		OVER $40 MILLION	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMSS	LEADERS	ALL FIRMMS	LEADERS	ALL FIRM	LEADERS
EMPLOYEES										
PERCENT FACTORY	64.13	62.28	66.50	62.48	67.17	64.05	65.62	63.73	62.38	62.81
PERCENT ADMINISTRATIVE	18.88	20.62	18.19	20.42	16.91	19.19	17.00	19.12	15.86	16.27
PERCENT SALES	16.99	17.10	15.31	17.10	15.92	16.76	17.38	17.15	21.76	20.92
PRODUCTIVITY										
SALES/GROSS PLANT INVESTMENT	2.69	2.70	2.59	2.68	2.57	2.66	2.61	2.65	2.96	2.94
SALES/FACTORY EMPLOYEE	179087.44	177590.80	170165.73	175872.51	167705.27	173487.59	168888.09	169834.60	196625.97	191049.2
SALES/ADMIN EMPLOYEE	606812.22	536462.20	609556.19	538238.60	656273.85	578997.21	651843.26	566028.91	773579.29	737659.05
SALES/SALES EMPLOYEE	667493.44	646910.30	665144.64	642689.99	655297.42	663097.36	637647.04	631062.02	563636.00	573584.78
SALES/ALL EMPLOYEES	114548.02	110609.73	110857.44	109892.41	110955.52	111119.76	110822.26	108232.06	122658.97	120000.26
SALES LESS MAT/FACT. EMP.	98942.49	104413.10	94008.63	103464.15	93262.82	101392.38	94335.56	100066.67	102429.43	104155.01
FINANCIAL POSITION										
CURR ASSETS VS CURR LIAB	2.56	2.65	2.44	2.66	2.41	2.62	2.33	2.56	2.87	2.89
LIABILITIES VS NET WORTH	0.32	0.32	0.34	0.32	0.34	0.33	0.37	0.34	0.30	0.30
DEBT VS EQUITY	0.21	0.17	0.23	0.18	0.25	0.18	0.32	0.21	0.24	0.13
PAYROLL										
PAYROLL/FACTORY EMPLOYEE	23817.56	23709.76	23488.71	23591.79	24021.08	24143.74	24408.09	23767.88	23365.41	23052.81
PAYROLL/ADMIN EMPLOYEE	23352.08	23293.70	24362.46	23734.52	25021.77	24653.28	24151.94	23981.54	33140.20	36713.35
PAYROLL/SALES EMPLOYEE	38411.17	40238.40	37404.91	40061.68	37069.29	40336.75	40993.75	42239.87	47055.58	51555.07
PAYROLL/EMPLOYEE	26234.09	26450.07	25966.98	26437.09	26399.60	26955.11	27247.11	26976.82	30070.78	31238.06
PREPRESS % OF FACT PAYROLL	8.51	9.40	8.80	9.44	8.86	9.56	8.94	9.53	8.63	9.70
PRESS % OF FACTORY PAYROLL	36.47	28.07	35.44	27.99	34.74	27.86	35.19	27.97	30.98	26.70
COLL. OPER. % OF FACT. PAY.	11.09	11.61	11.47	11.60	12.20	12.34	13.12	12.60	11.06	12.52
GEN. BINDERY % OF FACT. PAY.	4.20	4.25	4.27	4.44	4.35	4.48	4.45	4.93	5.18	5.63
OVERTIME WAGE % OF FACT. PAY.	3.26	3.25	3.22	3.25	3.54	3.15	3.97	4.24	3.33	3.06
TAXES AND BENEFITS										
TAX & BENE/FACTORY EMP.	4917.85	4973.33	4989.54	5010.86	5084.76	5192.53	5280.13	4918.04	5403.89	5093.10
TAX % BENE/ADMIN EMP.	5263.93	5305.56	5391.83	5311.20	5443.59	5392.45	5657.14	5571.60	7850.27	8391.47
TAX % BENE/SALES EMP.	4319.31	4225.90	4880.99	4971.52	5011.55	5108.46	5163.47	4899.15	5892.16	6041.79
TAX % BENE/EMPLOYEE	5032.97	5068.59	5082.35	5083.29	5122.43	5221.08	5333.44	5021.18	5585.26	5367.77
ASSET TURNOVER										
INVENTORY TURNOVER TIMES/YR	10.70	10.41	10.94	10.44	11.13	11.02	10.72	10.37	10.74	11.30
DAYS RAW MAT. IN INVENTORY	45.72	43.95	45.84	44.11	43.90	41.53	44.85	46.17	33.22	31.73
COLLECTION DAYS OF RECEIV.	48.39	49.28	47.53	49.10	47.79	47.91	48.24	49.55	51.31	52.85
INVESTMENT										
NET WORTH % OF FIXED ASSETS	191.95	171.88	181.03	171.79	179.95	168.02	163.61	165.64	173.04	170.8
AVG PLANT INVEST/FACT EMP.	66457.76	65704.39	65590.09	65616.03	65157.67	65137.36	64807.19	63985.34	66367.23	65092.67
PROFIT										
GROSS PROFIT % OF SALES	38.27	38.73	36.27	38.44	34.81	36.64	34.12	36.78	33.11	35.08
INCOME BEFORE TAX % OF SALES	9.67	9.87	8.80	9.85	8.84	9.76	8.25	10.08	7.11	8.55
PROFIT % OF NET WORTH	31.60	34.86	30.02	34.84	30.45	35.11	30.13	34.43	26.09	30.17
CASH FLOW (ROI)	10.94	11.91	10.46	11.85	10.62	11.95	10.12	11.75	9.78	11.19
RETURN ON INVESTMENT	15.51	18.18	14.12	17.99	14.14	17.71	12.98	17.46	12.37	15.48

Summary Statistics

By Product Line, Direct (Consumer)

	DIRECT		DIRECT CONT CUST		DIRECT UNIT SETS		DIRECT MIXED PROD	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE-PRODUCTS MFGD.	87.77	85.7	**	**	**	**	86.88	83.91
OUTSIDE PURCHASES	12.23	14.30					13.12	16.09
VALUE OF PRODUCTION	100.00	100.00					100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	36.22	37.43					38.44	41.16
CARBON	2.48	3.04					1.00	0.70
OTHER	2.82	3.17					1.41	0.88
OUTSIDE FINISHED PRODUCT	5.66	5.41					4.52	3.50
TOTAL MATERIALS USED	47.18	49.05					45.37	46.24
FACTORY PAYROLL								
SUPERVISORY SALARIES	1.16	1.12					1.17	1.15
WAGES DIRECT								
PREPRESS	1.47	1.37					1.51	1.43
PRESS	3.83	3.33					4.09	3.72
COLLATOR OPERATORS	1.74	1.36					1.82	1.44
GENERAL BINDERY	0.99	1.00					0.99	1.01
TOTAL DIRECT WAGES	8.03	7.06					8.41	7.59
DIRECT OVERTIME WAGES	0.63	0.53					0.64	0.53
GEN. FACTORY SAL & WAGES	1.78	1.35					1.79	1.29
PACK., SHIP & DEL. WAGES	0.76	0.80					0.85	0.94
PAYROLL TAXES	1.01	0.77					1.05	0.82
EMPLOYEE BENEFITS	1.84	1.66					1.92	1.75
TOTAL FACTORY PAYROLL*	14.59	12.77					15.18	13.54
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.54	1.31					1.56	1.29
INSURANCE	0.17	0.15					0.17	0.15
TAXES	0.29	0.24					0.30	0.25
DEPRECIATION	2.30	2.10					2.39	2.22
TOTAL FACTORY FIXED EXP.	4.30	3.79					4.42	3.91
OTHER FACT. SUPPLIES & EXP.	2.92	2.07					3.01	2.14
TOTAL FACTORY EXPENSE	7.22	5.86					7.43	6.05
TOTAL COST OF PRODUCTION	68.98	67.68					67.98	65.83
GROSS PROFIT-FORMS MFG.	31.02	32.32					32.02	34.17
OTHER OPERATIONS								
VALUE-OTHER PROD./SERVICES	0.51	0.59					0.54	0.66
COST-OTHER PROD./SERVICES	0.42	0.48					0.47	0.57
GROSS PROFIT-OTHER PROD/SER	0.09	0.11					0.07	0.09
TOTAL GROSS PROFIT-ALL OPER	31.10	32.42					32.09	34.27

*EXCLUDING DIRECT OVERTIME WAGES

**Insufficient Data

	DIRECT		DIRECT CONT CUST		DIRECT UNIT SETS		DIRECT MIXED PROD	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	1.03	1.07	**	**	**	**	0.87	0.81
OFFICE SALARIES	3.93	4.59					4.29	5.28
PAYROLL TAXES	0.35	0.39					0.38	0.44
EMPLOYEE BENEFITS	0.86	0.94					0.93	1.06
GENERAL OFFICE EXPENSE	2.76	2.78					2.82	2.88
BAD DEBTS	0.27	0.21					0.28	0.23
TOTAL ADMIN. EXPENSE	9.20	9.99					9.57	10.71
SELLING EXPENSE								
EXECUTIVE SALARIES	0.63	0.55					0.60	0.50
SALESMEN SAL. & COMMISS.	7.47	6.82					7.78	7.51
SALES-CLERICAL SALARIES	3.38	4.05					3.66	4.29
PAYROLL TAXES	0.39	0.21					0.39	0.17
EMPLOYEE BENEFITS	0.44	0.33					0.42	0.27
TRAVEL & ENTER. EXPENSE	0.40	0.28					0.36	0.20
GENERAL SELLING EXP.	2.45	1.53					2.58	1.58
SHIPPING & DEL. EXP.	0.70	0.16					0.75	0.17
ADVERTISING	0.13	0.11					0.12	0.09
TOTAL SELLING EXPENSE	16.01	14.03					16.66	14.78
TOTAL ADMINISTRATIVE & SELLING COST	25.21	24.02					26.23	25.49
OPERATING INCOME (LOSS)	5.90	8.40					5.86	8.77
OTHER INCOME & EXPENSE								
GROSS PROCEEDS-SCRAP SALE	0.34	0.41					0.33	0.20
OTHER INCOME	0.31	0.29					0.32	0.29
TOTAL OTHER INCOME	0.65	0.70					0.64	0.49
INTEREST EXPENSE	0.71	0.43					0.66	0.33
OTHER EXPENSE	0.34	0.32					0.37	0.32
TOTAL OTHER EXPENSE	1.05	0.75					1.03	0.65
NET OTHER INCOME (EXPENSE)	-0.40	-0.05					-0.39	-0.16
NET INCOME (LOSS) BEFORE TAXES	5.49	8.35					5.47	8.61
NUMBER OF COMPANIES	25	11	1	0	1	0	22	9

**Insufficient Data

	DIRECT		DIRECT CONT CUST		DIRECT UNIT SETS		DIRECT MIXED PROD	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
CURRENT ASSETS								
CASH	1.23	1.86	**	**	**	**	0.50	0.86
NOTES & ACCTS RECEIVABLE	30.54	30.33					30.25	29.99
LESS ALLOW FOR BAD DEBTS	0.71	0.65					0.74	0.69
NET RECEIVABLES	29.83	29.67					29.51	29.29
INVENTORIES								
RAW MATERIALS	6.91	6.33					6.38	5.58
FINISHED PRODUCTS	9.81	9.42					9.78	9.42
WORK IN PROCESS	1.79	1.10					1.88	1.21
OTHER	0.09	0.03					0.09	0.03
TOTAL INVENTORIES	18.59	16.88					18.12	16.24
OTHER CURRENT ASSETS	1.09	1.31					1.10	1.40
TOTAL CURRENT ASSETS	50.73	49.72					49.24	47.80
FIXED ASSETS								
REAL ESTATE	17.08	14.04					17.07	13.45
LESS ALLOW FOR DEPR	4.53	3.95					4.61	3.96
NET REAL ESTATE	12.56	10.09					12.46	9.46
MACHINERY & EQUIPMENT	47.00	36.88					47.08	35.97
LESS ALLOW FOR DEPR	25.63	17.95					25.26	16.80
NET MACH & EQUIP	21.36	18.93					21.81	19.17
OTHER FIXED ASSETS	3.12	3.36					2.97	3.17
LESS ALLOW FOR REPR	1.63	1.60					1.47	1.38
NET OTHER FIXED ASSETS	1.49	1.76					1.50	1.80
TOTAL FIXED ASSETS	35.41	30.78					35.78	30.46
OTHER ASSETS	13.86	19.51					14.98	21.74
TOTAL ASSETS	100.00	100.00					100.00	100.00
CURRENT LIABILITIES								
NOTES PAYABLE (ONE YEAR)	4.04	2.80					3.89	2.58
ACCOUNTS PAYABLE	8.02	7.69					8.01	7.62
OTHER CURRENT LIABILITIES	6.76	6.38					6.73	6.36
TOTAL CURRENT LIABILITIES	18.83	16.87					18.62	16.56
LONG-TERM DEBT	8.29	5.61					7.39	4.10
OTHER LONG-TERM LIAB	20.83	27.05					22.63	30.29
TOTAL LONG-TERM LIAB	29.11	32.67					30.02	34.39
TOTAL LIABILITIES	47.94	49.54					48.64	50.95
TOTAL NET WORTH	52.06	50.46					51.36	49.05
TOTAL LIABILITIES & NET WORTH	100.00	100.00					100.00	100.00

**Insufficient Data

	DIRECT		DIRECT CONT CUST		DIRECT UNIT SETS		DIRECT MIXED PROD	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
EMPLOYEES								
PERCENT FACTORY	60.88	61.74	**	**	**	**	61.13	62.50
PERCENT ADMINISTRATIVE	14.29	12.64					14.06	11.91
PERCENT SALES	24.83	25.63					24.81	25.59
PRODUCTIVITY								
SALES/GROSS PLANT INVESTMENT	3.02	3.51					2.93	3.43
SALES/FACTORY EMPLOYEE	193591.08	206647.49					186630.76	193604.12
SALES/ADMIN EMPLOYEE	817482.99	1009733.95					803923.78	1015656.04
SALES/SALES EMPLOYEE	460558.74	497880.47					444962.46	472920.04
SALES/ALL EMPLOYEES	116821.47	127583.03					113001.33	121002.57
SALES LESS MAT/FACT. EMP.	102261.13	105286.64					101958.63	104085.90
FINANCIAL POSITION								
CURR ASSETS VS CURR LIAB	2.69	2.95					2.64	2.89
LIABILITIES VS NET WORTH	0.33	0.33					0.33	0.34
DEBT VS EQUITY	0.16	0.11					0.14	0.08
PAYROLL								
PAYROLL/FACTORY EMPLOYEE	22721.68	21350.36					22780.88	21244.75
PAYROLL/ADMIN EMPLOYEE	40560.88	57117.65					41528.74	61920.36
PAYROLL/SALES EMPLOYEE	52916.91	61133.87					53588.21	62906.70
PAYROLL/EMPLOYEE	32930.04	36064.29					33239.86	36750.47
PREPRESS % OF FACT PAYROLL	10.06	10.70					9.93	10.53
PRESS % OF FACTORY PAYROLL	27.68	26.11					28.50	27.50
COLL. OPER. % OF FACT. PAY.	11.94	10.66					11.97	10.62
GEN. BINDERY % OF FACT. PAY.	6.79	7.83					6.54	7.44
OVERTIME WAGE % OF FACT. PAY.	4.35	4.17					4.22	3.93
TAXES AND BENEFITS								
TAX & BENE/FACTORY EMP.	5515.96	5037.45					5545.51	4970.13
TAX % BENE/ADMIN EMP.	9852.06	13474.78					10455.93	15278.98
TAX % BENE/SALES EMP.	5400.12	4983.05					5461.45	5689.67
TAX % BENE/EMPLOYEE	5716.64	5493.79					5742.57	5452.48
ASSET TURNOVER								
INVENTORY TURNOVER TIMES/YR	10.90	11.31					10.85	11.12
DAYS RAW MAT. IN INVENTORY	26.37	24.70					26.09	24.38
COLLECTION DAYS OF RECEIV.	53.73	56.77					54.78	59.18
INVESTMENT								
NET WORTH % OF FIXED ASSETS	155.26	163.95					152.22	161.02
AVG PLANT INVEST/FACT EMP.	64196.91	58790.96					63708.02	56366.74
PROFIT								
GROSS PROFIT % OF SALES	31.10	32.42					32.09	34.27
INCOME BEFORE TAX % OF SALES	5.49	8.35					5.47	8.61
PROFIT % OF NET WORTH	21.07	26.90					20.78	27.10
CASH FLOW (ROI)	8.68	10.38					8.67	10.61
RETURN ON INVESTMENT	9.44	13.05					9.24	13.24

**Insufficient Data

Summary Statistics

By Product Line, Indirect (Dealer)

	INDIRECT		INDIRECT CONT CUST		INDIRECT UNIT SETS		INDIRECT MIXED PROD	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
VALUE-PRODUCTS MFGD.	99.50	99.11	99.27	98.75	100.00	**	99.48	99.97
OUTSIDE PURCHASES	0.50	0.89	0.73	1.25	0.00		0.52	0.03
VALUE OF PRODUCTION	100.00	100.00	100.00	100.00	100.00		100.00	100.00
COST OF PRODUCTION								
MATERIALS								
PAPER	41.99	32.66	33.52	31.01	39.27		37.49	36.03
CARBON	2.10	2.15	1.99	1.70	4.57		3.26	2.91
OTHER	2.21	3.22	2.85	3.25	4.68		2.52	2.74
OUTSIDE FINISHED PRODUCT	0.63	1.14	0.95	1.56	0.45		0.54	0.05
TOTAL MATERIALS USED	46.93	39.16	39.32	37.52	48.97		43.81	41.73
FACTORY PAYROLL								
SUPERVISORY SALARIES	2.19	2.33	2.39	2.15	2.95		2.43	2.75
WAGES DIRECT								
PREPRESS	2.05	2.53	2.70	2.46	1.90		2.62	2.89
PRESS	5.67	6.04	6.57	6.00	6.76		6.39	6.05
COLLATOR OPERATORS	3.24	4.51	4.52	4.92	4.97		3.41	3.25
GENERAL BINDERY	0.97	1.38	1.16	1.34	3.34		1.28	1.04
TOTAL DIRECT WAGES	11.92	14.46	14.95	14.71	16.97		13.70	13.23
DIRECT OVERTIME WAGES	0.67	0.54	0.72	0.55	0.42		0.93	0.57
GEN. FACTORY SAL & WAGES	2.30	2.06	2.70	2.32	0.43		1.98	1.66
PACK., SHIP & DEL. WAGES	1.02	0.66	0.47	0.52	0.75		1.22	1.06
PAYROLL TAXES	1.54	1.58	1.79	1.58	1.70		1.67	1.57
EMPLOYEE BENEFITS	2.55	2.49	2.88	2.54	1.97		2.43	2.42
TOTAL FACTORY PAYROLL*	21.51	23.58	25.18	23.81	24.76		23.44	22.70
FACTORY FIXED EXPENSES								
OCCUPANCY EXPENSE	1.99	2.26	2.41	2.31	2.69		2.42	2.23
INSURANCE	0.45	0.43	0.32	0.2	0.8		0.74	1.01
TAXES	0.44	0.46	0.48	0.51	0.52		0.40	0.28
DEPRECIATION	3.28	3.40	4.16	3.58	1.50		3.57	3.28
TOTAL FACTORY FIXED EXP.	6.16	6.54	7.37	6.60	5.52		7.13	6.81
OTHER FACT. SUPPLIES & EXP.	4.92	4.96	4.95	4.39	4.64		5.91	6.67
TOTAL FACTORY EXPENSE	11.07	11.50	12.31	10.99	10.16		13.04	13.48
TOTAL COST OF PRODUCTION	79.51	74.24	76.81	75.32	83.89		80.29	77.91
GROSS PROFIT-FORMS MFG.	20.49	25.76	23.19	27.68	16.11		19.71	22.09
OTHER OPERATIONS								
VALUE-OTHER PROD./SERVICES	0.28	0.56	0.17	0.21	-0.04		0.78	1.68
COST-OTHER PROD./SERVICES	0.22	0.49	0.14	0.15	0.00		0.63	1.55
GROSS PROFIT-OTHER PROD/SER	0.05	0.07	0.03	0.06	-0.04		0.15	0.13
TOTAL GROSS PROFIT-ALL OPER	20.54	25.83	23.22	27.73	16.07		19.87	22.22

**Insufficient Data

*EXCLUDING DIRECT OVERTIME WAGES

	INDIRECT		INDIRECT CONT CUST		INDIRECT UNIT SETS		INDIRECT MIXED PROD	
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS
ADMINISTRATIVE EXPENSES								
EXECUTIVE SALARIES	2.30	2.33	2.64	2.39	2.41	**	2.47	2.16
OFFICE SALARIES	1.27	1.64	1.50	1.62	1.68		1.77	1.72
PAYROLL TAXES	0.24	0.25	0.27	0.25	0.31		0.26	0.23
EMPLOYEE BENEFITS	0.41	0.35	0.43	0.38	0.28		0.45	0.29
GENERAL OFFICE EXPENSE	2.68	2.36	2.85	2.08	1.36		2.42	3.35
BAD DEBTS	0.28	0.17	0.23	0.14	0.37		0.26	0.20
TOTAL ADMIN. EXPENSE	7.17	7.09	7.91	6.86	6.41		7.64	7.95
SELLING EXPENSE								
EXECUTIVE SALARIES	0.94	0.75	0.77	0.67	0.36		0.92	1.03
SALESMEN SAL. & COMMISS.	1.22	1.60	0.99	1.41	1.64		1.09	0.48
SALES-CLERICAL SALARIES	1.68	1.89	2.40	2.32	0.53		1.75	0.90
PAYROLL TAXES	0.27	0.28	0.30	0.31	0.23		0.22	0.21
EMPLOYEE BENEFITS	0.44	0.42	0.45	0.48	0.40		0.31	0.22
TRAVEL & ENTER. EXPENSE	0.40	0.42	0.45	0.46	0.26		0.45	0.36
GENERAL SELLING EXP.	1.00	1.10	1.29	1.32	0.60		0.91	0.56
SHIPPING & DEL. EXP.	0.85	0.95	0.79	1.15	0.19		0.45	0.54
ADVERTISING	0.44	0.39	0.40	0.42	0.35		0.35	0.31
TOTAL SELLING EXPENSE	7.23	7.80	7.85	8.54	4.57		6.46	6.24
TOTAL ADMINISTRATIVE & SELLING COST	14.40	14.89	15.76	15.40	10.98		14.10	14.19
OPERATING INCOME (LOSS)	6.14	10.95	7.46	12.33	5.09		5.77	8.03
OTHER INCOME & EXPENSE								
GROSS PROCEEDS-SCRAP SALE	0.44	0.34	0.43	0.27	0.75		0.33	0.45
OTHER INCOME	0.64	0.88	0.67	0.76	0.57		1.11	1.30
TOTAL OTHER INCOME	1.08	1.22	1.10	1.02	1.32		1.44	1.75
INTEREST EXPENSE	2.57	0.97	2.13	0.96	0.42		1.84	1.09
OTHER EXPENSE	0.87	0.80	0.61	0.87	0.36		0.94	0.66
TOTAL OTHER EXPENSE	3.44	1.76	2.75	1.83	0.77		2.79	1.75
NET OTHER INCOME (EXPENSE)	-2.37	-0.54	-1.65	-0.81	0.55		-1.35	0.00
NET INCOME (LOSS) BEFORE TAXES	3.77	10.41	5.81	11.53	5.64		4.42	8.03
NUMBER OF COMPANIES	48	19	24	9	3	0	20	8

**Insufficient Data

	INDIRECT		INDIRECT CONT CUST		INDIRECT UNIT SETS		INDIRECT MIXED PROD		
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	
CURRENT ASSETS									
CASH	3.31	3.44	3.02	2.06	1.79	**	6.00	10.27	**Insufficient Data
NOTES & ACCTS RECEIVABLE	23.27	22.89	20.05	21.23	21.80		25.11	31.05	
LESS ALLOW FOR BAD DEBTS	0.68	0.66	0.65	0.67	0.54		0.48	0.68	
NET RECEIVABLES	22.58	22.22	19.39	20.56	21.26		24.63	30.37	
INVENTORIES									
RAW MATERIALS	10.13	7.61	8.48	6.69	14.99		10.34	10.38	
FINISHED PRODUCTS	4.20	1.78	1.23	1.69	0.00		1.93	2.55	
WORK IN PROCESS	1.76	1.79	1.46	1.52	2.00		2.22	1.16	
OTHER	0.36	0.26	0.47	0.31	0.00		0.48	0.09	
TOTAL INVENTORIES	16.45	11.44	11.63	10.22	16.99		14.98	16.02	
OTHER CURRENT ASSETS	4.24	7.91	6.27	9.65	0.33		2.59	1.39	
TOTAL CURRENT ASSETS	46.58	45.02	40.32	42.50	40.37		48.20	58.05	
FIXED ASSETS									
REAL ESTATE	16.21	18.45	19.38	21.43	2.23		12.99	7.87	
LESS ALLOW FOR DEPR	4.01	6.33	5.36	6.89	1.83		4.24	4.62	
NET REAL ESTATE	12.21	12.12	14.02	14.54	0.40		8.74	3.25	
MACHINERY & EQUIPMENT	60.57	69.51	67.53	67.15	68.96		83.83	81.01	
LESS ALLOW FOR DEPR	34.61	43.89	40.49	43.30	30.26		53.06	50.00	
NET MACH & EQUIP	25.97	25.62	27.04	23.86	38.70		30.77	31.01	
OTHER FIXED ASSETS	4.75	4.06	4.00	2.82	8.62		9.74	8.90	
LESS ALLOW FOR REPR	2.56	2.26	2.26	1.68	3.87		5.78	4.66	
NET OTHER FIXED ASSETS	2.19	1.80	1.74	1.14	4.75		3.96	4.24	
TOTAL FIXED ASSETS	40.36	39.54	42.79	39.54	43.85		43.47	38.50	
OTHER ASSETS	13.06	15.44	16.89	17.97	15.78		8.33	3.46	
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00		100.00	100.00	
CURRENT LIABILITIES									
NOTES PAYABLE (ONE YEAR)	5.95	3.16	5.78	2.95	9.33		6.54	3.58	
ACCOUNTS PAYABLE	10.47	9.67	9.92	9.78	10.86		9.55	9.23	
OTHER CURRENT LIABILITIES	4.41	4.71	3.92	3.55	11.34		6.68	8.63	
TOTAL CURRENT LIABILITIES	20.83	17.54	19.62	16.28	31.53		22.77	21.45	
LONG-TERM DEBT	36.35	15.01	26.37	14.47	3.48		29.69	19.80	
OTHER LONG-TERM LIAB	3.09	3.96	3.50	3.55	5.37		3.06	5.52	
TOTAL LONG-TERM LIAB	39.44	18.97	29.87	18.03	8.85		32.75	25.33	
TOTAL LIABILITIES	60.27	36.52	49.48	34.31	40.38		55.52	46.77	
TOTAL NET WORTH	39.73	63.48	50.52	65.69	59.62		44.48	53.23	
TOTAL LIABILITIES & NET WORTH	100.00	100.00	100.00	100.00	100.00		100.00	100.00	

	INDIRECT		INDIRECT CONT CUST		INDIRECT UNIT SETS		INDIRECT MIXED PROD		
	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	ALL FIRMS	LEADERS	
EMPLOYEES									
PERCENT FACTORY	77.54	74.88	76.25	72.67	76.65	**	78.80	80.76	**Insufficient Data
PERCENT ADMINISTRATIVE	11.96	12.20	12.12	12.64	14.97		11.99	10.48	
PERCENT SALES	10.50	12.92	11.63	14.69	8.38		9.21	8.76	
PRODUCTIVITY									
SALES/GROSS PLANT INVESTMENT	2.40	2.06	1.93	1.85	3.49		2.21	2.76	
SALES/FACTORY EMPLOYEE	140552.13	137833.05	126644.46	144079.78	96384.39		117227.18	132705.57	
SALES/ADMIN EMPLOYEE	874834.43	845678.97	777182.73	828641.59	493488.08		743069.09	1023039.29	
SALES/SALES EMPLOYEE	767543.41	798859.38	698528.10	712848.88	881228.71		743069.09	1223199.15	
SALES/ALL EMPLOYEES	104594.53	103205.35	94211.62	104709.68	73875.46		89110.80	107175.54	
SALES LESS MAT/FACT. EMP.	74596.46	83852.82	76853.48	90015.97	49186.78		65873.92	77323.92	
FINANCIAL POSITION									
CURR ASSETS VS CURR LIAB	2.24	2.57	2.06	2.61	1.28		2.12	2.71	
LIABILITIES VS NET WORTH	0.47	0.28	0.32	0.25	0.53		0.48	0.40	
DEBT VS EQUITY	0.91	0.24	0.52	0.22	0.06		0.67	0.37	
PAYROLL									
PAYROLL/FACTORY EMPLOYEE	24500.32	26890.71	25975.63	28381.06	20331.35		22666.38	24819.73	
PAYROLL/ADMIN EMPLOYEE	31235.00	33516.53	32154.98	33240.91	20218.04		31541.56	39725.47	
PAYROLL/SALES EMPLOYEE	29458.51	33851.09	29118.30	31417.66	22319.86		27955.05	49474.83	
PAYROLL/EMPLOYEE	25981.17	28598.53	27148.56	29441.21	20481.09		24364.94	28541.54	
PREPRESS % OF FACT, PAYROLL	9.53	10.74	10.71	10.33	7.67		11.19	12.72	
PRESS % OF FACTORY PAYROLL	31.51	25.63	33.71	25.18	27.29		30.72	26.64	
COLL. OPER. % OF FACT. PAY.	16.22	19.13	19.34	20.66	20.07		16.42	14.34	
GEN. BINDERY % OF FACT. PAY.	4.51	5.84	4.59	5.62	13.49		5.44	4.60	
OVERTIME WAGE % OF FACT. PAY.	3.10	2.31	2.87	2.30	1.69		3.97	2.51	
TAXES AND BENEFITS									
TAX & BENE/FACTORY EMP.	5738.66	507.35	5915.86	5931.16	3535.59		4810.07	5300.20	
TAX % BENE/ADMIN EMP.	5637.86	5063.34	5424.30	5205.21	2870.24		5323.81	5313.29	
TAX % BENE/SALES EMP.	5701.23	5648.07	5396.46	5487.03	3758.41		5175.43	5123.56	
TAX % BENE/EMPLOYEE	5687.83	5535.87	5760.04	5794.93	3607.71		4767.96	5298.30	
ASSET TURNOVER									
INVENTORY TURNOVER TIMES/YR	11.92	16.58	15.09	16.53	16.38		15.75	16.83	
DAYS RAW MAT. IN INVENTORY	40.18	37.36	44.84	38.54	40.14		36.52	33.67	
COLLECTION DAYS OF RECEIV.	42.05	42.75	40.31	44.44	27.88		38.10	41.12	
INVESTMENT									
NET WORTH % OF FIXED ASSETS	112.32	160.54	143.62	166.16	135.95		110.61	138.26	
AVG PLANT INVEST/FACT EMP.	58461.25	66857.28	65566.23	77966.84	27635.17		52941.98	48142.42	
PROFIT									
GROSS PROFIT % OF SALES	20.54	25.83	23.22	27.73	16.07		19.87	22.22	
INCOME BEFORE TAX % OF SALES	3.77	10.41	5.81	11.53	5.64		4.42	8.03	
PROFIT % OF NET WORTH	20.07	31.1	23.08	29.64	25.97		20.74	40.65	
CASH FLOW (ROI)	7.9	11.9	9.46	11.78	10.00		8.81	12.62	
RETURN ON INVESTMENT	5.77	14.4	7.78	14.54	13.06		6.74	13.89	

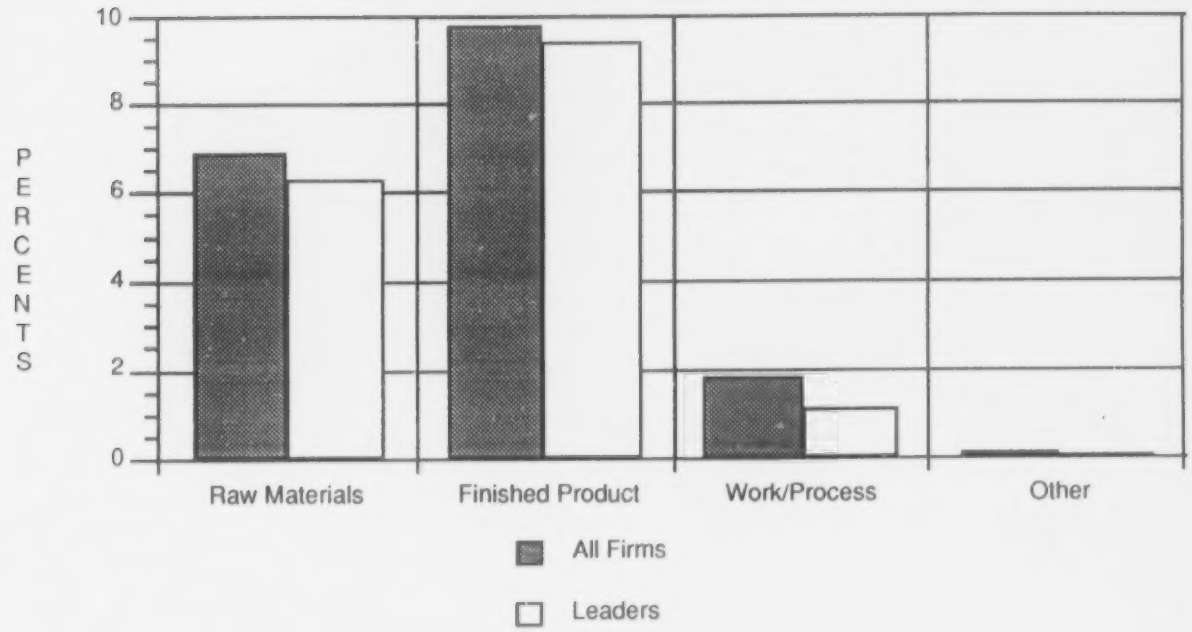
Thirteen Key Ratios

	All Firms	Leaders
Net Income to Net Sales	5.0	8.2
Net Income to Net Worth	20.6	27.9
Net Income to Total Assets	9.9	15.1
Net Sales to Total Assets	2.0	1.9
Collection Days of Accts. Rec.	49.6	52.9
Net Sales to Fixed Assets	5.2	5.6
Net Sales to Net Worth	4.1	3.5
Current Liabilities to Net Worth	0.4	0.3
Total Liabilities to Net Worth	1.1	0.8
Total Assets to Net Worth	2.1	1.8
Current Assets/Current Liabilities	2.5	2.8
Net Sales to Working Capital	6.7	6.1
Inventory to Working Capital	0.6	0.5

The following graphs present comparative data (All Firms vs. Leaders and Direct vs. Indirect) for inventory and expense items.

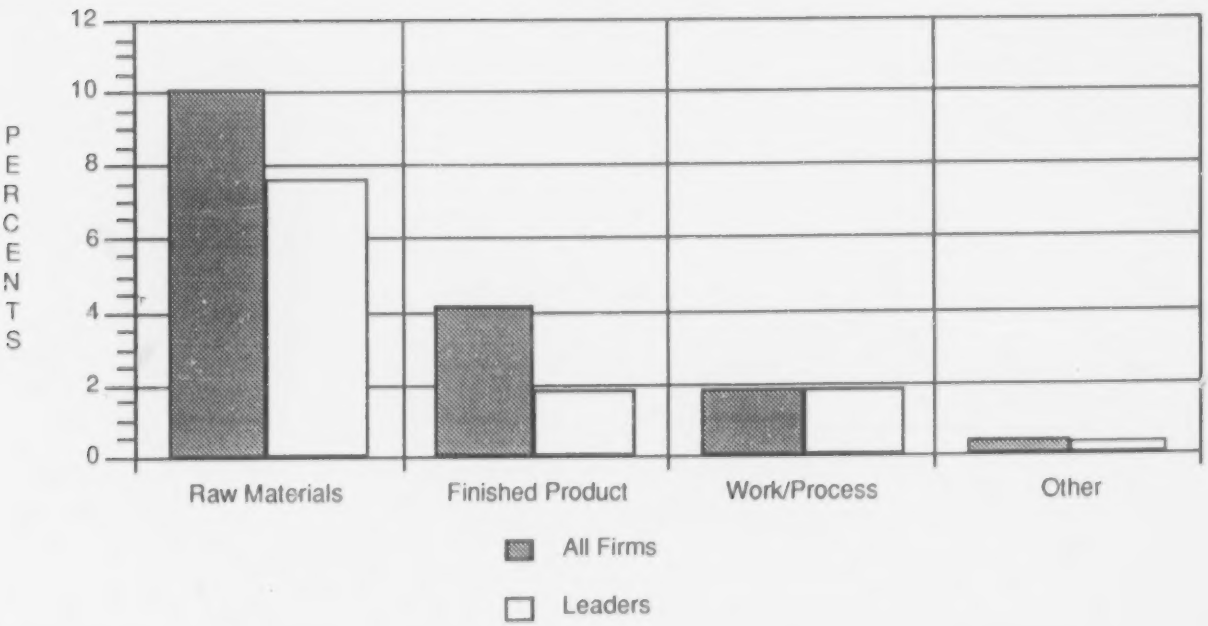
INVENTORY ITEMS

Direct Companies



INVENTORY ITEMS

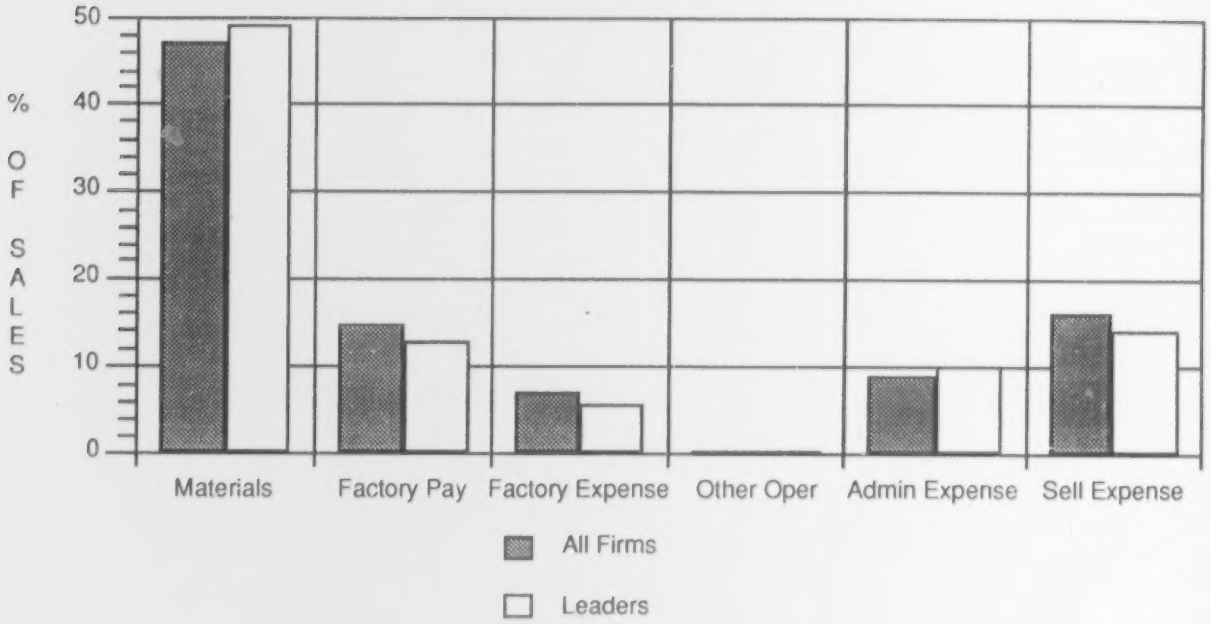
Indirect Companies



EXPENSE ITEMS

EXPENSE ITEMS

Direct Companies



EXPENSE ITEMS

Indirect Companies

Significance of Key Ratios

Profitability Ratios	
Net income to net sales	A primary ratio. Measures a company's ability to generate adequate profit on each dollar of sales. A key element in return on equity. Calculation: Net operating profit or loss divided by net sales, multiplied by 100.
Net income to net worth	The return on equity ratio. Measures a company's ability to produce adequate profit on owners' investment in the business and to expand net worth for future sales growth. Determined by interaction of (1) ratio of net profit to net sales and (2) ratio of net sales to net worth. Calculation: Net operating profit or loss divided by net worth, multiplied by 100.
Net income to total assets	One definition of return on investment, but more appropriately called return on assets. Measures a company's ability to earn an adequate profit on assets employed in the business. Determined by interaction of (1) ratio of net profit to net sales and (2) ratio of net sales to total assets. Calculation: Net operating profit or loss divided by total assets, multiplied by 100.
Asset Utilization Ratios	
Net sales to total assets	The asset utilization ratio. Measures a company's ability to generate adequate sales on the assets employed in the business. Summarizes combined efficiency of (1) collection period of accounts receivable, (2) ratio of costs of goods sold to inventory and (3) ratio of sales to fixed assets. Calculation: Net sales divided by total assets.
Collection period of accounts receivable	A primary ratio. Measures a company's control of accounts receivable in relation to sales. A key element in asset utilization. Calculation: (1) Net sales divided by 365 equals average daily net sales; then (2) accounts receivable divided by average daily net sales equals collection period of accounts receivable.

Net sales to fixed assets	A primary ratio. Measures a company's ability to generate adequate sales in relation to its investment in plant, equipment and other fixed assets. Also a key element in asset utilization. Calculation: Net sales divided by fixed assets.
Investment Adequacy Ratios	
Net sales to net worth	A primary ratio sometimes called the trading ratio. Measures adequacy of owners' investment in the business in relation to level of sales activity. Calculation: Net sales divided by net worth.
Current liabilities to net worth	Shows stake of current creditors--suppliers, banks and others--in the business versus amount of investment by the owners. Calculation: Current liabilities divided by net worth.
Total liabilities to net worth	Measures proportion of funds from all creditors, both current and long-term, against investment by owners. Determined by interaction of (1) ratio of net sales to net worth and (2) ratio of net sales to total assets. Calculation: Total liabilities divided by net worth.
Total assets to net worth	Measures relationship between total assets and net worth. Serves function similar to ratio of total liabilities to net worth but has been retained to preserve continuity with previous reports. Calculation: Total assets divided by net worth.
Working Capital Ratios	
Current assets to current liabilities	The current ratio. Measures a company's ability to meet day to day obligations within terms and to withstand possible write downs of accounts receivable or inventory. Calculation: Current assets divided by current liabilities.
Net sales to working capital	Measures adequacy of company's working capital, the excess of current assets over current liabilities, to support level of sales activity. Calculation: (1) Current assets minus current liabilities equals working capital; then (2) net sales divided by working capital equals ratio of net sales to working capital.

Inventory to working capital	Measures proportion of company's working capital vulnerable to slow movement or write down of inventory. Calculation: (1) Current assets minus current liabilities equals working capital; then (2) inventory divided by working capital equals ratio of inventory to working capital.

VII. Cost of Production Analysis

The overall ratios in this report and the individual ratios mailed to each participant all set the value of sales equal to 100 and analyze costs and profits as a percentage of that value. Because the different distribution channels and product specialties in this industry can create sharply different costs of sales and gross profit percentages, the *real* differences are not always apparent.

Another way to look at the results is on a cost of production basis. In this analysis, the total cost of production is set equal to 100 and the line items which comprise it are computed as percentages. In many cases, this analysis gives the best comparison of manufacturing efficiencies.

The following table provides a cost of production analysis for the overall sample and by sales volume, distribution channel and main product line.

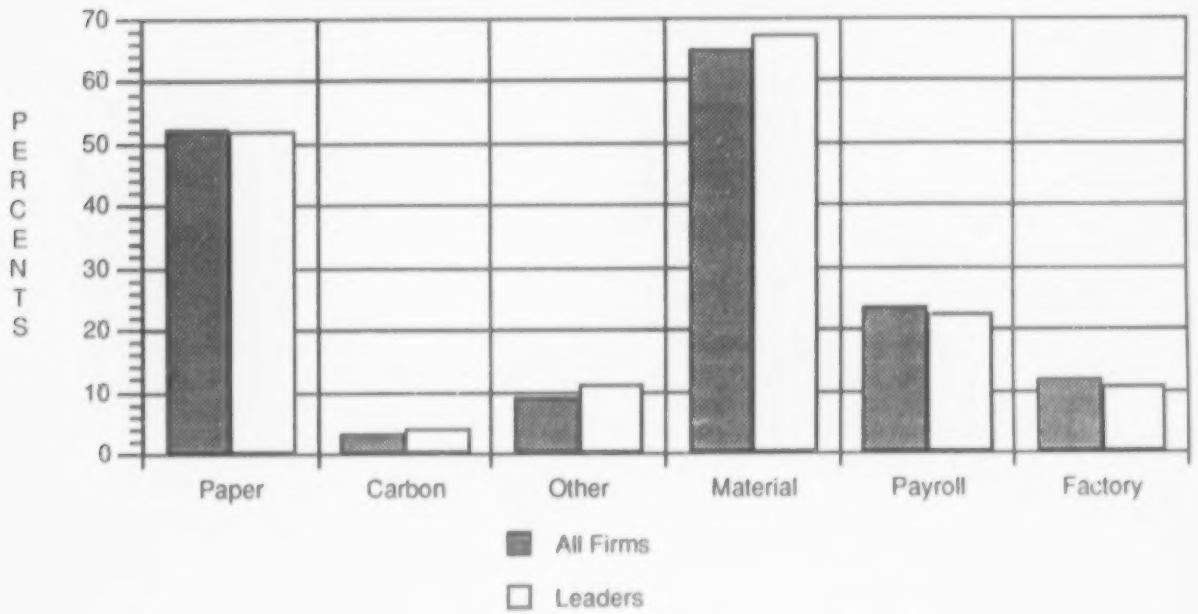
Cost of Production Analysis

	Paper	Carbon	Other	Total Material	Payroll	Factory	Total
All Firms	52.4	3.2	9.2	64.8	23.4	11.8	100.0
Leaders	51.9	4.0	11.2	67.1	22.4	10.5	100.0
By Company Size In Millions							
< $3	42.0	4.5	12.2	58.7	27.2	14.1	100.0
$3-8	42.9	4.4	11.2	58.5	27.4	14.1	100.0
$8-15	42.7	4.3	10.9	57.9	27.7	14.4	100.0
$15-40	42.6	4.0	11.7	58.3	27.5	14.2	100.0
> $40	52.6	3.7	10.4	66.7	22.2	11.1	100.0
By Distribution Channel							
Direct	52.5	3.6	12.3	68.4	21.1	10.5	100.0
Indirect	52.8	2.6	3.6	59.0	27.1	13.9	100.0
By Primary Product							
Direct							
Cust. Cont.	38.2	2.5	11.4	52.1	31.2	16.7	100.0
Unit Sets	*	*	*	*	*	*	100.0
Mixed Prod.	56.5	1.5	8.7	66.7	22.3	11.0	100.0
Indirect							
Cust. Cont.	*	*	*	*	*	*	100.0
Unit Sets	46.8	5.4	6.2	58.4	29.5	12.1	100.0
Mixed Prod.	46.7	4.1	3.8	54.6	29.2	16.2	100.0

**Insufficient Data*

COST OF PRODUCTION ANALYSIS

As a Percent of Total Cost of Production



VIII. Value Added Analysis

Another way of examining the ratios is to separate the cost of items the company buys from what the company puts into the finished product, i.e. value added. Value added is the reflection of management's ability to successfully produce and sell the company's products. It is value added, not sales, that enables companies to meet the payroll, invest in equipment and generate working capital for growth. In short, value added is what the company is all about.

	All Firms		Profit Leaders*	
Sales	100.0		100.0	
Materials	47.2		46.8	
Value Added	52.8	100.0	53.2	100.0
Factory Payroll		32.3		29.4
Factory Expense		16.2		13.7
Administrative Expense		15.9		17.1
Selling Expense		24.3		24.2
Operating Profit		11.3		15.6

As the above results illustrate, suppliers take about 47 percent of the average firm's sales dollar, leaving 53 percent of that dollar within management's control. Of course, that share varies among companies, often depending upon product line.

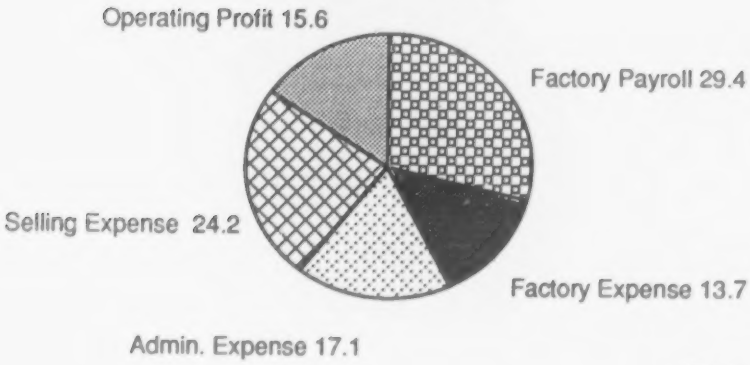
After product line differences, the next major difference in value added comes from distribution channel, since direct selling companies retain all of the value added that distributor based companies must share with the distributor.

The following graph illustrates the break down of value added components for All firms and Leaders.

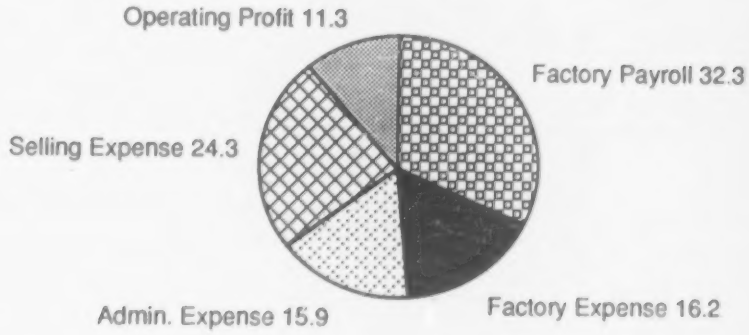
**Companies with pre-tax return on sales of 8 percent or better.*

VALUE ADDED ANALYSIS

Profit Leaders



All Firms



Appendix A

Using the Ratio Study

Using the Ratio Study

The Ratio Study provides useful, perhaps invaluable information on how a group of different companies have performed under a variety of conditions. Proper analysis of these ratios can provide your company with money-saving, profit-making ideas. Improper use of the ratios can lead to disaster.

The key to successful use of the Ratio Study is to recognize that there will be differences between your company and the ratio averages.

These differences are because of the products you sell, the way you market and the size of your operation. Other differences exist because of the way you have organized your company and directed its resources to getting the job done. The different arrays in the Ratio Study help to take these things into account. These are the differences you ought to be looking for in the ratios.

The Law of Exception states that the key to controlling your company is identifying the differences between your firm and the industry and then determining why your firm is an exception.

Observe the Rules for Ratio Analysis

Any analysis of the ratios should go beyond the numbers themselves; it should include a look at the numbers that go into computing the ratio as well as the formula for computation. The following rules should help you avoid being misled by the numbers.

* Compare like items and numbers. Make sure that your accounts follow the IBFI Chart of Accounts so that each line item is comparable to the ratio averages. This chart of accounts is included at the end of the book.

* Analyze all substantial deviations from the norm, both highs and lows. There are two messages in this rule. The first is not to squander time on small differences. You might want to limit analysis to only those items where you are some percentage, such as 25 percent, higher or lower than norm. The second point is to look at both highs and lows. Many companies tend to look at only the items where they exceed the ratios, forgetting that low items may point to some strength that could be used to advantage.

* Ignore isolated numbers. Look at more than one ratio before coming to any conclusions.

* When investigating a particular ratio, look at both the numerator and the denominator. A ratio is made up of one number divided by another, either one of which could be the source of the deviation.

* Recognize compensating advantages. Salaries and benefits to owners of closely-held companies, for instance, may be higher than those paid to managers of publicly-held companies while profits may be lower.

* Consider seasonal variations. The industries you serve may have a different cycle than the norm.

* Critically review trends. Look at the direction of changes in your ratios over a number of years, not just a single year.

* Be aware that financial statement figures may be misleading. Remember that assets on the balance sheet are valued at their book as opposed to market values and that accounting income is not the same as actual income because of distortions introduced by the depreciation rules and other factors.

* Lastly, do not restrict the analysis of your company to ratio analysis. Ratio analysis is just one tool for assessing a company's performance. It should be supplemented by other tools, such as cash flow analysis and market research.

Consider several sources when investigating differences between ratios. Any of a number of factors may be the source of a difference between your company's figure and the industry standard for a particular ratio. The most likely sources are the following:

* Product Complexity -- Generally, increasing product complexity means higher value added. It could also explain why some cost centers, where the work is done, are higher than average while others are lower. More complexity may also requrie higher capital investment, more highly skilled, higher paid people and more working capital.

* Manufacturing Capabilities - The resources that a firm has available in terms of equipment and people not only impact the levels of costs and investment but also may account for different distribution of costs among various cost centers.

* Production Management -- The way a company has organized its resources and its approach to each particular job affects value added, profitability, working capital requirements -- in fact, just about every ratio there is.

* Markets Served/Market Strategies -- Marketing decisions affect the kind of work that comes in, how well it fits the company's capabilities, how profitable it will be and even how the product will be made. Marketing strategies will also impact on working capital requirements and capital investment decisions.

Take a Constructive Approach to Analysis of the Ratios

Once you are sure of the numbers behind the differences, the hardest task is figuring out the reasons for these differences in a constructive way. That means not making qualitative judgements about whether the differences are good or bad and especially not putting anyone on the defensive.

A well-regarded forms executive described his very simple approach to the ratios. He grouped his various cost centers according to the ratio chart of accounts. He then removed his company's information from the ratio averages. (An easy process, since the ratios are unweighted averages. Simply multiply the published ratio by the number of firms, subtract your ratios from that result and divide by the number of firms minus yours.) He compared the results to find any that differed from his, even in different size companies. Then he tried to figure out why or how the differences occurred.

The managers in his company with the responsibility for each cost center were given his facts and analyses of the results, but were not put on the defensive. He described the process as a game which resulted in a healthy approach to improvement, better efficiency and sometimes lower costs.

Appendix B

IBFI Chart of Accounts

International Business Forms Industries, Inc.

Standard Classification Of Accounts
for Business Forms Companies

I. **Net Sales** -- The balance of Gross Sales for the period less Cash Allowances and Sales Discounts Earned is Net Sales.

A-G. **Business Forms Manufactured and Sold** -- Net sales of forms and printed products manufactured in your plant. Report separately the sales made through dealers and other manufacturers and the sales made directly to consumers.

I. **Forms Manufactured in Their Entirety by Others** -- Net sales of all forms sold by your company without further processing in your plant.

J. **Services and Other Products** -- Net sales of all non-printed products whether manufactured by your company or purchased for resale; and receipts for services provided and billed for such as inventory management, warehousing, systems design, etc.

II. **Employee Breakowns**

Classifying Employees:

Factory includes prepress personnel, machine operators and helpers, bindery personnel, maintenance and janitorial personnel, and any clerical staff that are concerned solely with production, e.g. production clerk-typists, production schedulers, inventory clerks, expediters, quality control and the like.

Administrative includes all executives or officers active in the business, their secretaries, all accounting personnel, receptionists/switchboard staff, all data processing personnel, all purchasing personnel, general file clerks, all employees of the personnel department, finished goods inventory personnel, and credit department.

Sales includes all salesmen, sales and/or marketing managers, any advertising personnel, sales service personnel, estimators, order writers, any clerical personnel assigned to the sales department and all shipping and delivery personnel.

Split duties: Personnel whose duties put them into more than one of the above categories should be split up according to a rough estimate of time, e.g. 1/3 to sales and 2/3 to production. Part-time employees should be counted as a fraction, e.g. 1/2 if an employee works a 20-hour week. Any employees who are considered to be full-time but are temporarily on short hours due to market or similar conditions should still be counted as full-time.

Operating Statement

Item

1 VALUE OF PRODUCTION -- Business Forms Manufactured and Sold.

Work in Process and Finished Goods ... Beginning of Period ... End of Period -- The inventory of work in process and finished goods at the beginning of the period is deducted from Net Sales, and the inventory of work in process and finished goods at the end of the period is added, to obtain the Value of Production for the period.

Direct Materials Used

2 Paper -- Including Carbonless Paper and Freight Expense -- Do not decrease the cost of paper by sale of scrap and plates. These proceeds should be included in other income (line 51).

3 Carbon Paper -- Includes freight expense. Include here the direct cost of carbon paper manufactured for your own use.

Item

4 Other Direct Materials -- Trade composition, binding, ink, cartons and other materials.

5 Outside Finished Products -- Cost of forms manufactured in their entirety by others and sold without further processing in your plant.

These accounts (items 2 through 5) adjusted for changes in raw material inventory, summarize the cost value of materials and outside purchases chargeable to customers or used to increase finished goods or work-in process inventories during the period.

Factory Payroll

7 Supervisory Salaries -- This account will be restricted to the compensation earned by the following factory personnel: Plant manager, plant supervisor and foreman (restricted to the following direct department foremen), prepress foreman, press foreman, collator foreman, and general bindery foreman, and an allocation of compensation earned by executives for time devoted to factory production, and to preparation and scheduling thereof.

Wages-Direct -- This account shows wages, to include vacations, holidays, sick pay, and overtime premiums paid to factory employees (including apprentices and helpers) directly engaged in production. The category has been broken down as follows: (See Item II, Employee Breakdowns, for classification of employees).

8 Prepress -- Artists, designers, strippers, hot and cold typesetters, camera operators, plate makers, and other preparatory department employees.

9 Press -- Press operators and helpers.

10 Collator Operators -- Roll collator operators and helpers.

11 General Bindery -- Operators of tippers, drills, stitchers, paper cutters, film or shrink-wrapping machines, wrappers, and packagers (do not include general shipping room labor when engaged only in placing product in the carton), belt folders, interleavers, and padders.

12 Total Paid to Direct Employees -- The total direct wages paid to employees including overtime amounts shown in item 13.

13 Direct Employee Overtime Wages -- Includes overtime and premium time pay. These amounts are to be included in item 12 above.

14 General Factory Salaries and Wages -- This account will be restricted to the wages of all factory employees other than those covered under supervisory salaries, wages direct, packing and shipping, and delivery wages. Wages should include compensation for vacations, sick leave, holidays, bonuses, and overtime premiums. Examples of employees in this category will be as follows: Warehouse and material handlers, baler operators, maintenance (plant and machine), janitorial help, watchmen, foreman of any nondirect labor department, secretaries to factory supervisors, production clerk/typists, order editors, production planners, production schedulers, production control, inventory clerk (raw materials), expeditors, change coordinators, job ticker and negative file clerks, quality control, and industrial engineers.

15 Packing, Shipping, and Delivery Wages -- This account includes shipping clerks, traffic and routing clerks, packers (not to be confused with packagers which are included in the direct wage account, general bindery), truck drivers, and shipping department foremen.

16 Payroll Taxes (Federal, state, local) -- This account is charged with government taxes for retirement, unemployment benefits, etc.

Item

17 Employee Benefits -- This account is charged with premiums or other expense of disability or sick benefit insurance or plans, life insurance, pension, retirement or profit-sharing plans, etc. as they cover factory employees.

18 Total Payroll -- does not include line 13.

FACTORY EXPENSES

Factory Fixed Expenses -- Only those which relate to manufacturing facilities.

19 Occupancy Expense -- Rent, heat, utilities, leasehold improvements, building depreciation and amortization, and building maintenance.

20 Insurance -- Real estate, property, and strike insurance.

21 Taxes -- Real estate and property.

22 Depreciation -- Current charge to accumulated depreciation accounts of fixed assets. Payments for rent or lease of machinery or equipment are, for purposes of this report, included as depreciation. (See Balance Sheet definitions, Fixed Assets)

23 Total Factory Fixed Expenses

24 Other Factory Supplies and Expenses

Prepress Supplies and Expense -- Film plates, chemicals, parts, repairs, etc.

Press Supplies and Expense -- Numbering machines, recovering rollers, fountain solutions, blankets, punches, dyes, perf wheels, parts, repairs, etc.

Collator Supplies and Expense -- Includes glue, perf rules, parts, repairs, etc.

General Bindery Supplies and Expense -- Supplies, boxes (not cartons), film wrap, staples, twine, etc.

Packing and Shipping Materials and Supplies -- Include freight cost in item 46.

26 FACTORY COST OF PRODUCTION -- This item is the sum of the Material Used, Factory Payroll, and Factory Expenses items noted above.

27 GROSS PROFIT - FORMS MANUFACTURING -- The credit remaining after deducting Factory Cost of Production from Value of Production - Forms Manufacturing.

OTHER OPERATIONS

Many predominantly business forms companies manufacture, and or sell other products and services. The sales value and costs of these other operations should not be included in the report on forms manufacturing activities. Alternately, the administrative and selling expenses incurred in these other activities often cannot be logically separated from the forms operation. This is also especially true of reporting the financial position on the balance sheet.

Item

For those companies which cannot logically separate these operations, the IBFI Standard Classification provides a standardized treatment of these items so that the ratios of all companies are roughly comparable.

28 Value of Other Products and Services -- Net sales (Item I.J) adjusted for changes in work in process and finished goods inventories.

If the value of these other products or services are included in the price of forms, (and therefore within Items I. A through G), and they are substantial enough to understate your Cost of Forms Manufacturing ratios, some separation from the sales and costs of forms is desirable. The Chart of Accounts recommends computing the Value of Other Products and Services by applying a reasonable or representative mark-up to the cost of producing or providing these products or services. Be sure that this computed Value of Other Products or Services is not also included in Item 1, Value of Production - Forms Manufacturing or in Item I. H , Business Forms Sales.

29 Cost of Other Products and Services -- The direct costs, excluding administrative and selling expenses, of producing or providing these other products or services.

30 Gross Profit - Other Products and Services -- The credit remaining after deducting costs from the value of these other operations.

31 Gross Profit - All Operations -- Item 27 plus Item 30. The ratio for Gross profit - All Operations and all following ratios are computed as a percent of Total Value of All Products and Services (Item 1 plus Item 28).

Administrative Expenses

32 Administrative Expenses - Salaries, Executive -- Includes total compensation paid to President, Treasurer, all officers active in the business, General Manager, Administrative Assistants, Controller, Accounting Supervisor, Credit Manager, Data Processing Supervisor, Director of Purchases, and Director of Personnel. If an executive spends a portion or all of his time in such areas as sales, or general plant superintendent, his salary should be allocated to those cost centers based on the percentage of time expended in each area.

33 Salaries, Office -- Includes office personnel such as secretaries to administrative executives, purchasing agent, billing clerk, bookkeeper, general file clerk, switchboard operator, data processing personnel, office manager, and finished goods inventory clerk.

34-35 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Administrative Employees.

36 General Office Expense -- This account covers all of the various general expenses such as office supplies and services (towels, minor repairs to office machines, etc.), stationery, postage, telephone and telegraph, legal and accounting fees, donations, dues, fees, and expenses of membership in trade and other associations (not primarily for selling), travel expense (not primarily for selling), space or occupancy expense, etc.

Item

37 Bad Debts -- This account provides for losses on uncollectible accounts. Some firms also include cost of credit reports, and collection expenses such as legal fees, court costs, etc.

Selling Expenses

39 Selling Expenses - Salaries, Executive -- Includes compensation to sales managers who do not primarily solicit sales, direct or dealer, marketing manager, sales trainer, sales administrator, sales promotion manager, advertising manager, and sales service manager.

40 Salaries and Commissions, Salesmen -- This account is charged with salesmen's salaries and commissions in connection with selling.

41 Sales, Sales Office Clerical -- Includes salaries of the estimator, sales service personnel, secretaries and stenographers working with sales, and order writers.

42-43 Payroll Taxes - Employee Benefits -- These accounts are charged with items similar to those listed under the same classifications in Factory Payroll, as they apply to Sales Department Employees.

44 Travel and Entertainment Expense -- Travel and miscellaneous expenses (such as entertainment of customers and prospects) are charged to this account.

45 General Selling Expense -- Space or occupancy expense, office supplies, telephone, etc.

46 Shipping and Delivery Expense -- This account includes such items as freight, express, parcel post, outside delivery services, etc. Report the net expense after delivery to the customer, i.e., the total difference between the amounts billed to the customer and the amounts paid for transportation expense to the customer.

47 Advertising -- Charge to this account the cost of mailing lists bought or compiled; the expense of preparing, printing, and mailing the firm's advertising; the cost of newspaper, radio or television advertising or promotion; directory, novelty, and other forms of advertising.

50 OPERATING INCOME OR LOSS -- This is the credit (Operating Profit) that remains after subtracting Total Administrative and Selling Expenses from Gross Profit. If the expenses exceed the Gross Profit, the difference is an Operating Loss.

Other Income and Expense

51-52 Other Income -- Include sale of scrap and plates in item 51.

54-55 Other Expense -- This category breaks out separately interest expense and miscellaneous other expenses.

57 Net Other Income or Expense -- This is the net difference between Other Income and Other Expense. If the net balance is Income, it is, of course, added to Operating Income; if the net balance is Expense, it is deducted from Operating Income.

58 NET INCOME OR LOSS (before Income Taxes)

Item

BALANCE SHEET

ASSETS

Current Assets

100 Cash -- This account shows cash in bank and on hand.

101 Notes and Accounts Receivable -- This account shows as a balance the face value of all notes and outstanding charges held against others.

102 Allowance for Bad Debts -- This makes provision for possible losses from uncollectible customers' accounts.

104-108 Inventories -- Raw Materials, Finished Products, Work in Process, and Other Inventories.

109 Other Current Assets -- Shows other current assets not already listed, such as prepaid expenses, etc.

Fixed Assets

111 Real Estate, Land, Buildings -- Represents the gross cost or value of these investments. For purposes of this report, leaseholder should capitalize their rental expense. In several states an acceptable formula is to multiply your annual rent by 8. The liability could be reported in item 98, long-term liabilities.

112 Allowance for Depreciation on Buildings -- Measures the estimated cumulative depreciation.

114 Machinery and Equipment -- Capitalize leases as in item 111.

115 Allowance for Depreciation on Machinery and Equipment -- Measures the estimated cumulative depreciation.

117 Other Fixed Assets -- This account shows all other fixed assets not listed above.

118 Allowance for Depreciation on Other Fixed Assets -- Measures the estimated cumulative depreciation.

121 Other Assets -- Covers any other assets not listed above.

LIABILITIES

Current Liabilities

123 Notes Payable Within One Year -- This account shows obligations of the business, such as negotiable paper or other written promises, which the firm is to pay within one year.

124 Accounts Payable -- Shows the liability of the business for the total of balances owed creditors and due currently.

125 Other Current Liabilities -- This account shows all other obligations payable within one year.

Item

127 Long-Term Debt -- This account shows long-term obligations of the business, in excess of one year (do not include current portions of debt).

128 Other Long-Term Liabilities -- Such as deferred taxes and deferred income.

131 NET WORTH -- This account equals total assets minus liabilities. It includes any of these capital accounts:

Corporation Capital Stock, Issued and Outstanding -- This account represents the aggregate par or stated value of the original and subsequent investments made by stockholders in the Common or Preferred Stock of a corporate form of business, less any subsequent redemptions.

Corporation Surplus and Undivided Profits (Retained Earnings) -- This account, usually found only on the books of a corporation, shows the cumulative earnings of the business not distributed as dividends and not specifically reserved for some definite purpose.

Proprietary Capital (Individual Proprietorship or Partnership) -- This account shows the present net worth or net capital of the individual proprietorship or partnership form of business.

CLASSIFYING EMPLOYEES

Part-Time Employees

One of the important facts shown in the IBFI Ratio Study is the number of full-time employees in the average firm. This is the basis for computing the highly significant Pay per Employee, and Production or Sales per Employee.

It is necessary, therefore, that your listing of the number of employees in your firm be reasonably accurate. Note that the information requested is the average number of *"full-time"* employees.

If your firm has a substantial number of part-time employees you should count them as a proportionate number of full-time employees. For example, if you have 20 part time employees who work an average of 3 months (¼ of a year), they would be equivalent (¼th of 20) to 5 full-time employees.

Split-Time Employees

It is also important that employees be classified correctly as between Factory, Administrative (office), and Selling. There are some employees whose functions overlap into two or more of these areas. For any employees, especially Executives, whose time and effort are divided between Factory (Production), Administrative and/or Selling, accuracy requires that their salaries or wages be split or apportioned accordingly.

If only a minor amount of the executive's or employee's time is split, he should be classed, and his entire wage or salary apportioned to his predominant function – Factory, Administrative, or Selling. Where a split is indicated, a reasonable estimate of the split or apportionment is all that is necessary. The same rule applies to allocating production employee time between departments or jobs.

Split-Time Employees - continued

Estimators: If their function is primarily to prepare estimates for sales purposes, they should be classed as Selling Clerical. If their time is split between preparing sales estimates (Selling), checking Job Cost Sheets and preparing them for billing (Administrative), and/or compiling production records and standards (Factory), their time (salaries) should be split and apportioned accordingly.

Production Control or Scheduling: Employees who schedule and follow jobs through production to completion and delivery, should be classed as General Factory regardless of whether the work is done in the plant or in the office.

Sales Expediters. Employees whose primary job is to take over from salesmen the details of job preparation (ordering art work, photos and photo-engraving, maintaining customer contact for copy, proofs, etc.), should be classed as Selling Clerical. If they also follow jobs through the plant for production or production scheduling (Factory), their time (salaries) should be split accordingly between Selling Clerical and General Factory.

Purchasing Agents: Employees who specify and order paper, ink, and other Materials and Factory Supplies, should be classed as General Factory.

In Classifying employees, the *function* of the employee is the important consideration, not where the work is performed. Where doubt exists as to classification or split, preference should be given first to Factory, then to Selling, and finally to Administrative.

Proprietor's and Partner's "Salaries"

Proprietors or Partners should always include in their expenses of the business an adequate "salary" for their services, even if it is not actually drawn regularly. Otherwise, the real comparable profits of an unincorporated business may be grossly overstated. Of course, these "salaries" must later be deducted from expense in making tax returns. But they should be included in the expenses shown in IBFI Ratio reports from proprietorships and partnerships.

These Proprietor's or Partner's "salaries" should always be apportioned between Factory, Administrative and Selling according to reasonable estimates of time spent on each of these phases of the business, as explained above.

International Business Forms Industries, Inc.

2111 Wilson Boulevard
Arlington, Virginia 22201

Appendix C

Ratio Study Questionnaire

FISCAL YEAR 1989

OPERATING COST SCHEDULE FOR BUSINESS FORMS COMPANIES

International Business Forms Industries, Inc.
2111 Wilson Boulevard
Arlington, Virginia 22201

Fiscal year ended _____

PLEASE!

Company code _____

Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

Zip code _____

Number of plants covered by this report _____

Read The Definitions Before Completing This Report

COMPLETED QUESTIONNAIRES SHOULD BE RETURNED NO LATER THAN MARCH 31, 1990

	To Dealers	To Consumers	Total
I. Sales by Product and Distribution			
Business Forms and Other Printed Products:			
A. Continuous Custom	$	+	= $
B. Continuous Stock		+	=
C. Unit sets		+	=
D. Sales/manifold books		+	=
E. Pressure sensitive labels		+	=
F. Cut sheet		+	=
G. Commercial printing and other forms		+	=
H. **Total products manufactured** *(sum of A-G)*	$	+	= $
I. Forms manufactured in their entirety by others		+	=
J. Services and other products		+	=
K. **Total Sales** *(sum of H-J)*	$	+	= $

II. Employee break-downs *(number of all paid employees including executives, partners, or owners):*

L. Factory (average) _____

M. Administrative (average) _____

N. Sales Department (average) _____

O. Total employees (sum of L-N) _____

III. Average Order Size–number of sets in an average order, check one *(M=thousand):*

☐ under 1M ☐ 1-10M ☐ 10-25M ☐ 26-50M ☐ 51-100M ☐ Over 100M

Enter a result for each line item
Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

FORMS MANUFACTURING

	Omit Cents	Omit Cents
Computation of Value of Production—Forms Manufacturing		
Net sales for latest fiscal year *(item H from page 1)*		
Less work in process and finished goods, beginning of year balances		
Add work in process and finished goods, end of year balances		
1a. Value of products manufactured		
1b. Outside purchases *(item I from page 1)*		
1. **Value of Production—Forms Manufacturing** *(1a. plus 1b.)*		
Cost of Production:		
Materials:		
2. Paper		
3. Carbon		
4. Other *(trade composition, binding, ink, carbons)*		
5. Outside finished products		
6. Total materials used *(sum of items 2-5)*		
Factory Payroll:		
7. Supervisory salaries		
Direct Wages *(including overtime but not payroll taxes or benefits)*		
8. Prepress		
9. Press		
10. Collator Operators		
11. General binders		
12. Total paid to direct employees *(sum of items 8-11)*		
13. Direct employee overtime wages *(included in 12 above)*		
14. General factory salaries and wages		
15. Packing, shipping, and delivery wages		
16. Payroll taxes for all employees		
17. Employee benefits for all employees		
18. Total factory payroll *(sum of items 7, 12, 14, 15, 16, 17; exclude line 13)*		
Factory Fixed Expenses:		
19. Occupancy expense		
20. Insurance		
21. Taxes *(real estate, property)*		
22. Depreciation		
23. Total factory fixed expenses *(sum of items 19-22)*		
24. Other factory supplies and expense		
25. Total factory expense *(sum of items 23, 24)*		
26. Total cost of production *(sum of items 6, 18, 25)*		
27. Gross profit—Forms Manufacturing *(item 1 less item 26)*		

Enter a result for each line item
Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

	Omit Cents	Omit Cents
OTHER OPERATIONS		
28. Value of other products or services *(item J adjusted for changes in inventories)*		
29. Cost of other products or services		
30. Gross Profit–Other Products or Services *(item 28 less item 29)*		
Forms Manufacturing and Other Operations		
31. Total Gross Profit–All Operation *(item 27 plus or minus 30)*		
Administrative Expenses		
32. Salaries, executive		
33. Salaries, office		
34. Payroll taxes		
35. Employee benefits		
36. General office expense		
37. Bad debts		
38. Total administrative expense *(sum of items 32-37)*		
Selling Expense		
39. Salaries, executive		
40. Salaries and commissions, salesmen		
41. Salaries, sales office clerical		
42. Payroll taxes		
43. Employee benefits		
44. Travel and entertainment expense		
45. General selling expense		
46. Shipping and delivery expense		
47. Advertising		
48. Total selling expense *(sum of items 39-47)*		
49. Total administrative and selling cost *(items 38 and 48)*		
50. Operating income (loss) *(item 31 less item 49)*		
Other Income and Expense *(Please be sure to put negative items in parentheses)*		
51. Gross proceeds from sale of scrap		
52. Other income		
53. Total other income *(items 51 & 52)*		
54. Interest expense		
55. Other expense		
56. Total other expense *(items 54 & 55)*		
57. Net other income (expense) *(item 53 less item 56)*		
58. Net income (loss) before income taxes *(item 50 plus or minus item 57)*		

(OVER FOR BALANCE SHEET)

Enter a result for each line item
Put all negative figures in parentheses.
Check your work.
Be sure to keep a copy.

BALANCE SHEET
ASSETS

		Omit Cents	Omit Cents
Current Assets			
100.	Cash		
101.	Notes and accounts receivable		
102.	Less allowance for bad debts		
103.	Net receivables *(item 101 less item 102)*		
Inventories			
104.	Raw materials		
105.	Finished products		
106.	Work in process		
107.	Other inventories		
108.	Total inventories *(sum of items 104-107)*		
109.	Other current assets		
110.	Total current assets *(sum of items 100, 103, 108, 109)*		
Fixed Assets			
111.	Real estate *(land and building)*		
112.	Less allowance for depreciation on buildings		
113.	Net real estate *(item 111 less 112)*		
114.	Machinery and equipment		
115.	Less allowance for depreciation on machinery and equipment		
116.	Net machinery and equipment *(item 114 less item 115)*		
117.	Other fixed assets		
118.	Less allowance for depreciation		
119.	Net other fixed assets *(item 117 less item 118)*		
120.	Total fixed assets *(items 113, 116, 119)*		
121.	Other assets		
122.	Total assets *(items 110, 120, 121)*		

LIABILITIES AND NET WORTH

Current Liabilities			
123.	Notes payable within one year		
124.	Accounts payable		
125.	Other current liabilities		
126.	Total current liabilities *(sum of items 123-125)*		
127.	Long-term debt		
128.	Other long-term liabilities		
129.	Total long-term liabilities *(sum of items 127 and 128)*		
130.	Total liabilities *(sum of items 126 and 129)*		
131.	Total net worth *(item 122 less 130)*		
132.	Total liabilities and net worth *(sum of items 130 and 131)*		

NAME OF PERSON TO CONTACT IN CASE OF QUERIES: _____

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